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ABSTRACT

The Advertising section of this collection of conference presentations contains the following 12 papers: "How Leading Advertising Agencies Perceive and Use Barter Syndication: A Pilot Study" (Sylvia M. Chan-Olmsted); "Three Giants--Leo Burnett, David Ogilvy, William Bernbach: An Exploration of the Impact of the Founders' Written Communications on the Destinies of Their Advertising Agencies" (Leonard L. Bartlett); "The Effect of Serial Position on TV Advertisement Recall: Evidence from Two Years of Super Bowl Advertising Data" (Taeyong Kim and Xinshu Zhao); "A New Conception of Deceptiveness" (Ivan L. Preston); "The Role of Comparative Information in Political Advertising Evaluations and Candidate Evaluations" (Bruce E. Pinkleton); "California's Anti-Smoking Media Campaign: The History and Effectiveness of an Advertising War on the Tobacco Industry" (W. Robert Nowell III); "Hispanic-American Consumer Behavior: A Marketing Update" (Betty Parker); "Corporate America: Adapting to the African-American Consumer Market" (Velma A. Robinson); "The Baddies of Advertising: An Analysis of the Negative in Advertising Criticism" (Sandra E. Moriarty); "A Longitudinal Content Analysis of Environmentally Related Advertisements in Consumer Magazines from 1966 through 1991" (Marni J. Finkelstein and others); "The Relative Constancy Hypothesis, Structural Pluralism and National Advertising Expenditures" (David Pearce Demers); and "Product Information Strategies of American and Japanese Television Advertisements" (Carolyn A. Lin and Michael B. Salwen). (NH)

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PROCEEDINGS OF THE ANNUAL MEETING OF THE ASSOCIATION FOR EDUCATION IN JOURNALISM AND MASS COMMUNICATION (76TH, KANSAS CITY, MISSOURI, AUGUST 11-14, 1993). PART XI : ADVERTISING.

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How Leading Advertising Agencies Perceive and Use Barter Syndication: A Pilot Study

by

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AEJMC Advertising Division: Special Topics

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Traditionally, program license fees collected on a market by market basis were the only major revenue source for television syndicators. Though existing since the early days of television syndication, barter advertising practices never gained respectability in the advertising community and did not become an important revenue source for syndicators until the 1980s. During the last ten years, barter syndication has generated almost 30 times gross revenues for the television syndicators. While the tremendous growth of barter syndication suggests that this medium has become a viable national television advertising alternative, very few national advertisers consider it a primary vehicle in their media buying portfolios and those actually using it still have strong reservations about the medium of syndicated television. Such skepticism can be traced largely to the lack of understanding of the nature of the syndication industry by the advertising community and to the dearth of knowledge by the syndicators on how the medium is currently being perceived and used by the advertisers (Haley, 1989; Mahoney, 1992; Goldstein, 1992).

Barter syndication can be defined as the business where local commercial television stations and syndicators trade advertising time or advertising time and a cash license fee for programming. Basically, television stations may acquire a syndicated program with some commercial messages already inserted and agree to run these national commercials in return for a reduction or total waiver of the program license fee. The syndicator makes its money from the sale of commercials to national advertisers.

In contrast to its weekly delivery of a close-to 30 % national television audience share available to advertisers, barter syndication only commands about 4 percent of the total U.S. television media expenditures (NTI Pocketpieces, 1989). Apparently television syndicators have done a good job in redirecting advertisers' attention to this national media alternative by improving the programming quality, generating a larger national audience, offering competitive prices, and having access to important broadcast time slots. Nevertheless, syndicators need to provide a better media planning and buying environment to sustain the advertiser's interest in the medium and to develop a long-term working relationship that will benefit both parties. Since there has been very limited research conducted in the field of barter syndication, the present study will briefly examine the practices of barter syndication and focus on investigating the perceptions and uses of barter syndication by the leading advertising agencies. The goal is to paint a picture of the current status of barter syndication, determine how and why it is used by the advertising community, and hopefully, improve the understanding of this advertising medium by both the buyers and the sellers.

Previous Research

Previous research in the area of barter syndication is very limited. Most of the studies have been in a "short industry report" format and conducted mainly by the advertising trade journals such as Adweek, Marketing & Media Decisions, Advertising Age, and Broadcasting. The focus of these reports was mostly on the role of barter syndication in the media planning process from an advertiser's perspective (Paskowski and Silver, 1987; Mandese, 1989; Haley, 1989; Brown, 1992). While there have been several studies on the general industry practices of television syndication (Chan-Olmsted, 1990; Cooper, 1992; Soosten, 1993), no attempt has been made to examine specifically the current use and perception of barter syndication by the advertising community. In terms of investigating the practices of barter from the local stations' viewpoint, a survey on barter programming of independent stations shows that almost half of the responding stations' daily program schedule consisted of more than 25 % barter programming. Stations in smaller markets relied even more heavily on barter syndication. Although a majority of respondents agreed that barter improves their stations' profitability, many expressed the fear that syndicators would continue to seek more local advertising inventory and devalue stations' national spot advertising rates with their barter sales (Stefanidis, 1991).

Some trade journal reports and private industry research have made comparisons of the criteria used by media planners when choosing between network TV and barter syndication (Rubin, 1986; Mandese, 1989; Mahoney, 1992; Media Dynamics, Inc. 1992). Generally, syndicated TV spots are sold 15-35 % less than the network spots on a cost-per-thousand (CPM) basis with the exceptions of the top-ranked programs which command CPMs comparable to those of network TV. In terms of program genre, game shows, magazine entries, sitcoms and talk shows seem to be the trend for syndicated TV, different from the networks' drama and sitcom approach. According to these industry reports, syndicated TV, while attracts mostly adult women and kids, has a much more limited demographic appeal than the network TV.

More extensive literature exists on the media planning and buying practices of various television media, such as the use of cable television by leading advertisers and agencies (Katz and Lancaster, 1989) and the evaluation factors of media plans for different media (Lancaster, Kreshel, and Harris, 1986; Leckenby and Boyd, 1985). Again, no attempt has been made to examine the media planning and buying practices of barter syndication.

Current State of Barter Syndication

While syndicators have long discovered the revenue benefit of withholding some advertising minutes per show and the advantage of cost reduction through increased sales of barter advertising spots, stations did not jump onto the barter bandwagon until the mid-1980s. Initially, barter arrangement is attractive to stations only for unproven first-run shows. For these programs, stations are more willing to give up commercial airtime than to spend money. As programming prices continue to escalate and stations still fight for ratings-generated syndicated programs with limited budgets, barter syndication provides a favorable arrangement of program purchasing for both first-run and off-network rerun programs. In reality, as high price shows like "The Cosby Show" and "Wheel of Fortune" soak up their program-acquisition budgets, stations are more than willing to accept barter terms when signing programming contracts. This situation is particularly obvious for independent stations (Stefanidis, 1991).

The barter syndication industry has grown from a $50 million market to an over $1.3 billion enterprise over the past decade (see Table 1). However, the growth rate has slowed down considerably since 1990. While the recession may have contributed to the decline, barter syndication, as an advertising media alternative, has not lived up to its revenue potential compared to other television media. In contrast to barter syndication's weekly delivery of a close to 30 % national television audience available to advertisers, it only commands about 4 percent of the total U.S. television media expenditures (NTI Pocketpieces, 1989). In other words, it has plenty room for further growth.

Table 1 here

Comparing to other television media, barter syndication has consistently commanded the smallest share in the U.S. Television media expenditures (see Table 2). Such market share analysis of media expenditures should provide a more accurate picture of the advertiser interest in different television advertising alternatives, independent of the absolute advertising spending which may easily fluctuate based on the economic outlook of the society. Consistent with the figures in Table 2, a survey conducted for Advertising Age and Electronic Media by Benta Research Corp. revealed that the average agency media buyers and marketing executives will only place 4.3 percent of their total 1992 ad budget in barter syndication. The figure lags far behind the average budget portions to be allotted to network (31 %), national spot (20.3 %) or cable (9.7 %). The survey also found that 43 % of the respondents wouldn't buy any barter time in 1992. In addition, only a mere 6 percent say barter syndication gives the best return on the ad dollar (Mahoney, 1992). Although according to Table 2, the barter expenditure share is constantly increasing, cable television, as another national advertising vehicle, seems to exhibit a more steady growth pattern into the 1990s. Cable has done a good job in improving its buying process and marketing itself to the advertising community. It seems like barter syndicators would have to do likewise to establish itself as a viable media alternative to advertisers.

Table 2 here

It is obvious that spot and network have been the major television media for advertisers. Even though it is very unlikely that the dominant status of these two advertising options will be challenged, over the years newly-accepted national media such as cable and barter have taken away a certain number of viewers and advertising dollars from the networks. While barter syndicators are expecting a more positive growth in TV expenditure share in 1995, they still have to improve the working environment of barter buying and encourage media planners to treat syndicated TV as a distinctive medium worthy of the sophisticated and serious treatment afforded to more established media such as network TV. Barter syndicators should find out how their customers conduct their planning process, reach the buying decisions, use the product, and perceive the value of the advertising product.

To answer these questions, a pilot study investigating the perceptions and uses of barter syndication by the executives involved with it at the leading advertising agencies is presented next.

Method

A survey was conducted among the top 100 advertising agencies based on the U.S. advertising expenditures or billings. Top advertisers were excluded because of the specific and sensitive nature of media planning information as a part of their proprietary marketing programs (an initial attempt was made to include the top 100 advertisers, however, the response rate was too small to be analyzed meaningfully in this study). Only major advertising agencies were selected because the use of barter is extremely concentrated among the big advertisers which are often represented by one of the leading agencies. According to

Tim Duncan, executive director of Advertiser Syndicated Television Association (ASTA), the top 30 leading advertisers contribute over 1 billion of the 1.275 billion syndicated revenue (Manoney, 1992). Furthermore, the top 15 agencies, buying on behave of their clients, contributed close to $630 million of barter syndication billings in 1991 (Advertising Age, April 13, 1992).

In the spring of 1992, a 9-page questionnaire along with a personalized cover letter were mailed to the media director at each of the top 100 agencies, asking that it be completed by the person closest to the planning and use of barter syndication in the media planning process. A follow-up letter and second questionnaire were again mailed to all nonrespondents after four weeks.

Results

A total of 40 surveys were returned, giving an overall response rate of 40 %. Among the 40 responses from the leading advertising agencies, 12 (30 %) had used barter syndication within the past five years, while 28 (70 %) had never used barter before. In addition, six of the 12 respondents with barter purchasing experience were among the top 15 agencies who account for the bulk of barter syndication revenues in 1991 (see Table 5). Although it is true that the buying of barter spots is extremely concentrated among the major agencies, because of the small number of respondents, this study should be treated only as a pilot project. The results should not be generalized to the larger agency population but only for providing preliminary market information for strategy consideration.[1]

The results that follow are divided into four major functional areas to provide a complete picture of how barter syndication is used and perceived by advertising agencies. These five areas are media mix, buying strategy, evaluation strategy, uses and satisfaction, and perception of barter benefits and drawbacks. Note that only the last category includes responses from both users and nonusers.

Media Mix

Barter syndication seems to play a small role in both the overall media mix and the television mix with the majority of the users allocating only 1-5 percent of their advertising expenditures for the medium (see Table 3). As for the future forecast, despite many agencies' reluctance to make the 5-year term prediction, most of them anticipate a similar position for barter either in the next year or in 5 years (note that a minority of agencies regarded barter as a good media investment and used more than 20 % of their TV expenditures for this medium). On average, the respondents currently spend close to 9 percent of their TV budget on barter (5 percent of the total media) and anticipate a modest increase in the future (see Table 4). It is important to note that while the majority of the barter users treat it as a fairly low priority medium, there are a few users who regard barter as a significant advertising vehicle for their client's product, and the future increase of barter spending might largely be carried by these users. Also, the barter media-mix expenditure percentages resulting from the survey were much larger than the overall expenditure share featured in Table 2. This again suggests that major agencies use the medium much more intensively than the general agency population. It is possible that barter syndicators have not done enough to educate the general agency community about the medium or the buying of barter (either the buying process or the medium's demographic appeal) is not efficient for the medium to small agencies/advertisers).

Table 3 and 4 here

Table 5 and 6 list the top users of barter syndication. Note that many of these syndicated TV customers are also the top network TV buyers, allocating generally over 30 % of their media billing on network time (see Table 6). Some leading agencies, such as McCann-Erickson, Young & Rubicam, and Saatchi & Saatchi, have a substantially lower percentage of barter billings (less than the average 4.3 percent) and high billings for the two national advertising alternatives (i.e. cable and network). It is important that barter syndicators learn more about the reasons behind such disproportionate media buying decisions.

Table 5 and 6 here

Buying Strategy

While shopping for barter syndication, price is not the only consideration for the buyers. National advertisers often look for a minimum coverage of 70 % of the nation's television households from a syndicated program (Chan-Olmsted, 1991). In addition to this clearance rate, the advertisers also evaluate the value of a barter opportunity by the quality of the program lineup, that is, the general time slot cleared for a specific syndicated program.

According to the survey, the top agency users generally desired an even higher minimum clearance rate (76.8 %) and were able to actually purchase spots in the programs that had an 80 % plus clearance performance. These users also preferred the syndicated programs that have a minimum of 2.5 ratings (see Table 7). It is obvious that barter syndicators' best customers also have the toughest buying standards.

Table 7 and 8 here

In terms of the package dealing, both a package of several shows and one-program-at-a-time buying were used by the agencies (see Table 8). Major barter syndicators might want to encourage more agency-wide, multi-client package deals that would offer better prices for the participating agencies and more processing efficiency for themselves.[2]

More first-run shows were used by the leading agencies than off-network reruns (see Table 8). It is reasonable since more first-run programs contain barter spots and most of the top-rated syndicated programs are first-run shows. The respondents also preferred buys on program genre such as talk shows, situation comedies, and game shows and desired dayparts such as access, primetime, and early fringe (see Table 9 & 10). These preferences should be considered seriously in both the development of syndicated product and the marketing of their advertising inventory.

Table 9 and 10 here

As for the cost information source, most respondents used direct negotiation and communication with syndicated television media reps (see Table 11). Such practices might suggest a causal, informal relationship between the buyer and the seller as well as a lack of professionalism in the dealing of barter syndication which is often criticized by the advertising community (Mandese, 1989; Mahoney, 1992).

Table 11 here

Evaluation Strategy

According to the survey, the standard broadcast media evaluation factors seem to be used indifferently by the media planners for evaluating the barter buys (see Table 12). It suggests that barter syndication compete head-to-head with other national television media in all quantitative efficiency measures. As the evaluation factor of CPM is critical to the agencies' planning/buying decisions, barter syndicators need to maintain a competitive CPM level if syndicated TV is to be continuously considered a viable media alternative. It seems that the leading agencies still largely rely on the unsophisticated subjective judgement and indirect sales results, with the help of some post-buy ratings analysis, to evaluate the effectiveness of their barter buys (see Table 13). Barter syndicators might need to put in more cooperative efforts in conducting some primary research for developing reliable media evaluation models or techniques that will assist their buyers in determining the quality of the product they sell.

Table 12 and 13 here

Uses and Satisfaction

The most common timing strategy while using barter spots was flighting, noted by over 60 % of the respondents (see Table 14). The respondents also seemed to utilize most frequently the existing 30-second commercials for their barter purchases (see Table 15). Time-banking syndications are barter deals in which no commercials are inserted in the syndicated program but syndicators exchange their programs for commercial spots scheduled in other programs. It seems that many leading agencies have avoided the time-banking arrangement and had negative opinions about it (see Table 16). Barter syndicators need to ascertain the factors contributed to the unfavorable attitude toward this business practice.

Table 14, 15, and 16 here

The influence of competitors' barter use appears to be minimal (see Table 17). Over 60 % of the agencies claimed this factor was either "somewhat unimportant" or "very unimportant." Surprisingly no barter audience research seems to be going on among the agencies. It appears that leading advertising agencies still treat barter as a surrogate of network television without establishing its own identity. More research on barter audience is needed if barter syndicators intend to become a major media player in the advertising industry.

Table 17 and 18 here

Nielsen's Nielsen Syndication Service (NSS) which produces a weekly report on syndicated ratings was used most widely by the agencies in gathering audience ratings information. Nielsen Station Index (NSI) was also utilized by over 50 % of the respondents (see Table 18). The respondents were also asked how satisfied they were with various aspects of barter syndication. The detailed results are shown in Table 19.

The responses suggest that the agency users were generally satisfied with the efficiency of barter medium and felt that barter is doing a fair job in reaching particular audience segments. However, they were somewhat dissatisfied with barter syndication's transaction cost, ratings estimates and performance, and audience reports. The respondents were especially dissatisfied with the services and buying procedure provided by the syndicators. Overall, barter syndication scored a much lower satisfaction level than its network counterpart. In order to compete with the more established network television, barter syndication has to improve its areas of dissatisfaction and promote its efficiency and targeting advantages.

Table 19 and 20 here

Perceptions of Barter Benefits and Drawbacks

Looking at barter's perceived benefits, its greater control of programming types and audiences and sponsor opportunities were acknowledged by both users and non-users (see Table 20). It seems that being able to reach a group of loyal viewers of certain programs, barter advertisers have the opportunity to tailor their advertising to the viewers who are more likely to purchase their products, thereby making the advertising more cost effective. Barter is also perceived to offer more sponsorship opportunity for advertisers which is rarely approved by the networks. While users appear to appreciate barter's efficiency (CPM) advantage, non-users do not see eye-to-eye on this issue. It suggests that barter syndicators need to educate the general advertising community about this benefit. The same sentiment seems to exist for the audience "reach and frequency" nature of barter syndication. While non-users appear to think that there is a growing syndication audience and better syndicated programs, users are much more critical in these respects. Both users and non-users agree that the barter buying process is not efficient (even less efficient than the spot buys). Again, the syndicators need to work on this area. In terms of the perceived disadvantages, with the drawbacks of poor time slots and the lack of control over them leading the way, both users and non-users seemed to have plenty of negative opinions about barter (see Table 21). They felt that there was too big a discrepancy in audience delivery, too much fluctuation on market-to-market ratings, a lack of timely syndicated television audience reports, and too much commercial clutter in the programs.[3]

Table 21 here

Discussion

While many leading advertising agencies are now including barter syndication in their media plans, they use it only sparingly and appear not to treat it as a distinctive medium worthy of the sophisticated and serious treatment afforded to more established media such as network television. Agency users are generally dissatisfied with the discrepancy of projected ratings and actual ratings, commercial clutter in the syndicated programs, fluctuation in local ratings (resulted from an inconsistency in clearance time in different markets), and the overall programming quality. They also felt that there is a need for more timely syndicated ratings reports for post-buy analysis, lower transaction costs, and better services and buying procedure. One media director in a top ten agency even charged that the syndication industry is full of deceptive business practices. Many agencies also complained about the extreme discrepancy in the ratings and pricing of different syndicated programs. They felt that the high-tier shows such as Star Trek:TNG and The Oprah Winfrey Show, whose ratings and demographics resemble those of network TV shows are overpriced considering their clutter environment, and low-tier bottom shows with decimal ratings aren't worth buying.

Barter syndicators need to respond to these charges. There is room for compromise on both sides. For example, in improving syndicated programming quality, the syndicators can involve advertisers or even invite them to become equity partners in the process of programming development. Syndicators also need to avoid unrealistic audience estimates and overly optimistic guarantees for new and returning programs, because even though syndicators provide compensation spots or cash rebates for the audience underdelivery, advertisers regard such ratings discrepancies as unprofessional and damaging to the integrity of their advertising plans.[4] It is believed that the frequent use of bonus spots in the event of underdelivery may have further lessened barter syndicators' credibility. In the case of underdelivery, it would be an act of professionalism to make every effort to place the audience deficiency units in the same quarter or during the flight (advertising period) that the buyer needs to achieve their marketing objectives.

As ratings data for syndicated shows are harder to compile due to their flexible time periods for broadcast, they are not published as fast and as often as network programs. Thus, it is hard for advertising agencies to purchase commercial spots and negotiate audience deficiency units when they are needed. Also, because ratings for syndicated programs fluctuate dramatically by market, it is harder to buy them than network shows which deliver more stable ratings. In response to this problem, barter syndicators need to aggressively lobby for more accurate and efficient syndicated program reports in the audience research industry, possibly through more cooperative research efforts. A more timely and accurate report system may also lessen the agencies' dissatisfaction with the fluctuation of ratings, since it is not the fluctuation that creates problem for the planners but the factors of unreliability and unpredictability that damage the integrity of their media plans.

In terms of the clutter environment, barter syndicators need to weigh the pros and cons of having programs contain more commercial minutes than their network counterparts. A decrease of a few commercial units might not necessarily hurt the revenue pie because of the nature of supply and demand in media buying. In fact, the increase of national barter spots available in the market would probably lead to lower price per commercial unit.

Finally, barter syndicators need to streamline the services and buying process, providing a more buyer-friendly environment for their customers and building a better reputation of professionalism. The syndication industry should also launch a large-scale campaign to educate the advertising community, especially on spreading the knowledge of their media advantages such as efficiency, targeting, sponsorship opportunity, and growing syndicated audiences.

Barter syndication offers national advertisers an alternative to network advertising. It is a hybrid advertising form, providing a close substitute to network advertising with universal exposure as well as greater program identification for sponsors. It is believed that barter syndication is yet to reach its maturity. As the national audience and the programming cost for syndicated programs continue to increase, more cost-conscious, risk-averse broadcasters will tend to alleviate the high capital programming investment with barter transaction terms, while more advertisers may consider utilizing this media alternative. The future of barter syndication will largely depend on the syndicators' ability to improve their services and reputations as well as their effort to educate the advertising community about this medium. Barter syndication can be and should be a more competitive alternative to other national advertising media.

Notes

1. Also because of the small number of respondents, no tests of statistical significance will be performed on any of the responses.

2. For example, BBDO in 1986 made waves by making agency-wide, multi-client deals with syndicators to negotiate better prices. For more information see Paskowski and Silver, Marketing and Media Decisions, Jan. 1987.

3. According to a report from Marketing and Media Decisions, Jan, 1989, for half hour program, while Wheel of Fortune or Jeopardy has over 7 minutes of total commercial minutes, ABC prime-time half hour has 4 and half minutes. For hour program, while Oprah has 14, Star Trek:TNG has 12, ABC prime-time hour has a total of 9 commercial minutes.

4. According to many media planners/buyers, there is often a 30-40 % underdelivery of ratings and audience deficiency units are not always available in the quarter or during the flight that the buyer needs to achieve their marketing objectives, thus compromise the integrity of the buyer's ad plan. The reason for overprojected ratings can be traced in part to the traditional guarantee inequity. While the client is protected form the down side, the syndicator does not benefit from the upside. It has led syndicators to overstate their projections to protect themselves from the show that occasionally does better than people expect.

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Table 1: Barter Syndication Revenues 1980-1995
(Dollars are in millions)

Year	Revenue	Growth Rate
1980	$50	--
1985	550	1000.0%
1988	875	59.1
1989	1,050	20.0
1990	1,200	14.3
1991	1,275	6.3
1992	1,375*	7.8
1995	1,820*	32.4

*Projected value

Source: Broadcasting March 2, 1992, p.42

Table 2: Comparison of Television Media Expenditure Share and Growth Rates of the Share

	Syndicated TV+		Network TV		Cable TV		Spot TV	
	Ad $ share	Growth rate	Ad $ share	Growth rate	Ad $ share	Growth rate	Ad $ share	Growth rate
80	0.4%	--	44.7	--	0.5	--	54.4	--
81	0.6	50.0%	43.1	-3.6	0.9	80.0	55.4	1.8
82	1.0	66.7	42.0	-2.6	1.5	66.7	55.5	0.2
83	1.8	80.0	41.5	-1.2	2.0	33.3	54.7	-1.4
84	2.1	16.7	41.9	1.0	2.7	35.0	53.3	-2.6
85	2.5	19.0	38.3	-8.6	3.5	29.6	55.7	4.5
86	2.6	4.0	36.5	-4.7	3.7	5.7	57.2	2.7
87	2.8	7.7	36.0	-1.4	4.0	8.1	57.2	0.0
88	2.9	3.6	36.3	0.8	4.7	17.5	56.1	-1.9
89	3.8	31.0	34.8	-4.1	5.7	21.3	55.7	-0.7
90	* 4.1	7.9	34.6	-0.6	6.3	10.5	55.0	-1.3
95	* 4.6	12.2	34.4	-0.6	8.1	28.6	52.9	-3.8

+Ad dollars reported represent only the money going into barter syndication, NOT all money going into syndication

*Estimated figures

Sources: Compiled from LNA/Arbitron Multimedia Service U.S. Ad Media expenditures 1991 and Veronis, Suhler & Associates Communications Industry Forecast 1991.

Table 3: Current and Forecast of Percentage of Barter Syndication in Media Mix and in Television

% of syndication in mix	Current		Forecast			
	Current		12 months		5 years	
	TV	Total media	TV	Total	TV	Total
1-5	66.7%	58.3	66.7	50.0	41.7	50.0
6-10	8.3	8.3	0.0	8.3	8.3	8.3
11-15	0.0	8.3	8.3	8.3	8.3	0.0
16-20	8.3	8.3	8.3	8.3	8.3	8.3
21+	16.7	0.0	16.7	0.0	8.3	0.0
No answer	0.0	16.7	0.0	25.0	25.0	33.3

Total Agencies = 12

Table 4: Current and Forecast Average Percentage of Barter Syndication in Media Mix and in Television

	Current		Forecast			
	Current		12 months		5 years	
	TV	Total media	TV	Total	TV	Total
Average Percentage	8.8	5.1	9.3	6.1	10.4	5.8

Table 5: Top 15 Agencies by U.S. Syndicated Television Media Billings in 1991 (Dollars are in millions)

Rank	Agency	Ranking in Network TV Billings	Syndicated TV Billings	% to Total Media Billings
1	Leo Burnett	2	$134.5	6.6%
2	D'Arch Masius Benton & Bowles	3	96.4	4.7
3	Foote, Cone & Belding Comm.	4	82.6	4.1
4	Jordan, McGrath, Case & Taylor	--	52.9	15.1
5	Backer Spielvogel Bates Worldwide	12	45.9	4.3
6	McCann-Erickson Worldwide	8	45.0	3.2
7	Ogilvy & Mather Worldwide	10	36.2	2.3
8	DDB Needham Worldwide	13	30.1	1.8
9	Young & Rubicam	5	29.1	1.4
10	Saatchi & Saatchi Advertising Worldwide	1	26.7	1.4
11	Hal Riney & Partners	--	13.0	4.0
12	BBDO Worldwide	9	11.5	0.7
13	Bozell	--	10.0	0.8
14	Carrafiello-Diehl & Associates	--	7.3	12.4
15.	Sudler & Hennessey	--	5.6	3.0

Source: Compiled from "Top 10 Agencies by U.S. Media Billings," Advertising Age, April 13, 1992, p. s40.

Table 6: Top 10 Syndicated TV Ad Agencies and Their Media Billing Percentages on Network TV, Cable TV, and Syndicated TV

Rank	Agency	% to Total Media Billings Syndicated TV	 Cable TV	 Network TV
1	Leo Burnett	6.6%	4.4	39.2
2	D'Arch Masius Benton & Bowles	4.7	4.9	37.1
3	Foote, Cone & Belding Comm.	4.1	5.8	35.4
4	Jordan, McGrath, Case & Taylor	15.1	--	--
5	Backer Spielvogel Bates Worldwide	4.3	4.5	--
6	McCann-Erickson Worldwide	3.2	3.9	36.8
7	Ogilvy & Mather Worldwide	2.3	--	31.0
8	DDB Needham Worldwide	1.8	6.3	--
9	Young & Rubicam	1.4	3.0	33.0
10	Saatchi & Saatchi Advertising Worldwide	1.4	4.3	42.4

Source: Compiled from "Top 10 Agencies by U.S. Media Billings," Advertising Age, April 13, 1992, p. s40.

Table 7: Syndication Purchasing Requirements

Requirement	Mean
Minimum Rating Requirement	2.6 rating points
Desired Minimum Clearance Rate	76.8 %
Actual Clearance Rate	80.6 %

Table 8: Syndication Purchasing Strategies

Strategy	Percentage
Package of Several Shows	45.9%
One Program at a Time	54.1
First-run Syndicated Programs	72.1
Rerun Syndicated Programs	21.4
Others	6.5

Table 9: Preference of Syndicated Program Types

Ranking	Program Types
1.	Talk Shows
2.	Situation Comedies
3.	Game Shows
4.	Sports
5.	Movies
6.	Drama
7.	Tabloid Magazine Shows
8.	Variety Shows

Table 10: Preference of Syndication Dayparts

Ranking	Dayparts
1.	Access
2.	Primetime
3.	Early Fringe
4.	Early Evening
5.	Late Fringe
6.	Late Night
7.	Daytime

Table 11: Barter Syndication Cost Sources

Source	**Percentage***
Direct negotiation	100.0
Media representatives	58.3
Trade press	16.7
Rate cards	8.3
Agency surveys	8.3

*Multiple responses

Table 12: Media Evaluation Factors

Evaluation Factor	**General Broadcast Media***	**Barter Syndication***
Cost-per-thousand (CPM)	83.3%	83.3
Gross rating points (GRPs)	66.7	66.7
Average frequency	41.7	41.7
Reach	50.0	50.0
Cost-per-rating point (CPP)	66.7	75.0
Gross Impressions	41.7	41.7
Effective reach	41.7	41.7
Exposure distribution	50.0	41.7
Effective frequency	33.3	25.0

*multiple responses

Table 13: Effectiveness Evaluation Methods

Method	Percentage*
Subjective judgement	33.3
Media models	8.3
Awareness studies	16.7
Sales results	33.3
Copy testing	0.0
Post analysis	16.7

*Multiple responses

Table 14: Timing Pattern

Pattern	Percentage
Flighting	66.7
Continuity	16.7
Pulsing	0.0
All of the patterns	16.7

Table 15: Message Dimensions

Message length	Percentage
10-second commercials	0.0
15-second commercials	25.0
30-second commercials	83.3
60-second commercials	8.3
Message Production	
Existing commercials	83.3
Custom new commercials	16.7

Table 16: Use of Timebanking Barter Syndication

Use		Willingness to try	
Yes	17%	Very willing	0.0%
No	83	Willing	0.0
		Neutral	40.0
		Unwilling	30.0
		Very unwilling	30.0

Table 17: Competitor Barter Syndication Influence

Importance	Percentage
Very Important	0.0
Somewhat important	0.0
Neutral	33.3
Somewhat unimportant	25.0
Very unimportant	42.7

Table 18: Barter Syndication Audience Research

In-house Barter Audience Research	Percentage
Yes	0.0
No	100.0
Syndicated Audience Research Services*	
Nielsen Syndication Service	91.7
Nielsen Station Index	58.3
Nielsen Television Index	8.3
Arbitron	33.3
MRI/SMRB	16.7

*multiple responses

Table 19: Satisfaction with Barter Syndication

Area	Degree of Satisfaction
Purchasing efficiency (compared to spot)	2.3
Purchasing efficiency (compared to network)	2.5
CPM (compared to spot)	2.6
CPM (compare to network)	2.4
Reach particular audience segments	2.5
Audience estimate fulfillment	3.2
Transaction costs	3.2
Ratings performance	3.2
Syndication audience measurement reports	3.3
Services and buying procedures	3.8
Overall satisfaction of network advertising	2.2
Overall satisfaction of spot advertising	2.8
Overall satisfaction of barter syndication	3.2

Note: satisfaction rating is based on a five-point scale where one is "very satisfied" and five is "very dissatisfied."

Table 20: Perceived Benefits of Barter Syndication

Benefit	Degree of Agreement Users	Non-users
Lower CPM	2.5	3.2
Lower absolute cost	3.3	3.4
Greater control over program types/audiences	2.7	2.6
Sponsorship opportunities	2.7	2.7
Growing syndication audience	3.3	2.7
Improving program quality	3.3	2.8
Lower transaction cost than spot	2.7	3.0
Buying process more efficient than spot	3.3	3.5
Audience "reach"	2.8	3.4
Audience "frequency"	2.8	3.0
Test market opportunities	4.2	3.6

Note: agreement rating is based on a five-point scale where one is "strongly agree" and five is "strongly disagree."

Table 21: Perceived Drawbacks of Barter Syndication

Drawback	Degree of Agreement Users	Non-users
Discrepancies in audience delivery	2.2	2.0
Fluctuation of market-to-market ratings	2.2	2.0
Lack of timely audience rating reports	1.9	2.2
Poor time slots	1.8	1.9
Lack of control over program time slots	2.2	2.0
Clutter environment	2.3	2.3
Low overall program quality	3.1	2.6
Limited demographic appeal	3.3	3.2

Note: agreement rating is based on a five-point scale where one is "strongly agree" and five is "strongly disagree."

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Three Giants—Leo Burnett, David Ogilvy, William Bernbach: An Exploration of the Impact of the Founders' Written Communications on the Destinies of Their Advertising Agencies

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INTRODUCTION

Leo Burnett, David Ogilvy and Bill Bernbach share one historic achievement in common: each was the founder and chief builder of an advertising agency that grew from scratch to become one of the 25 largest advertising agencies in the United States in slightly more than a decade. All three agencies later moved up into the top five in size. No other individual entrepreneurs have come close to these accomplishments during the twentieth century.

All three men were strong, dominating leaders; all were working copywriters. But there were dramatic differences in the ways they used their writing talents when they weren't writing advertising copy. The purpose of this paper is to examine these differences and to suggest possible cause-and-effect links between them and the disparate fates experienced by the companies the three men founded and built.

The Leo Burnett Company today is one of the strongest, most vital advertising agencies in the world. The company remains privately owned, is well managed and financially independent, and has enjoyed strong growth in recent years—even in the face of the recent economic recession. The agency consistently produces outstanding advertising and maintains an unprecedented record of successful long-term relationships with its clients.

Ogilvy & Mather has not been so fortunate. Since falling prey to a hostile takeover led by Martin Sorrell and his WWP Group in 1989, the company has fallen out of the top ten agencies in size, suffered a sharp decline in profitability, lost some key long-time clients, and seen its culture compromised by meat-axe cost cutting. The company's once impeccable reputation has been sullied—possibly beyond full restoration.

Doyle Dane Bernbach's fate has been even more dire. After highly secret negotiations with BBD&O and Needham Harper Worldwide in 1986, the fading agency was merged with Needham Harper to form DDB/Needham Worldwide as part of the creation of a new giant agency group, Omnicom, Inc. Engineered primarily to protect the three agencies from possible takeover attempts, the merger signaled the end of Doyle Dane Bernbach as an entity. As if to underscore the demise of DDB, the challenging task of merging the DDB and Needham operations was put in the hands of Needham Harper CEO Keith Reinhard.

METHODOLOGY

The thesis of this paper derives from the author's ongoing study of the post-World War II history of the advertising agency business in the United States. In this connection he began in November 1990 to compile a list of advertising leaders who might agree to be interviewed. Rather than compile a list based on his personal judgment, he asked John O'Toole, former CEO of Foote, Cone & Belding and incumbent President of the American Association of Advertising Agencies, to give him a list of the ten people he would most want to interview if he were writing a history of the advertising agency business. Mr. O'Toole graciously obliged, and the author wrote to each person on his list, requesting two things: 1) a personal interview and 2) a list of the ten people he would want most to interview if he were writing a history of the business.

The responses to these requests were extremely gratifying. By mid-May 1991, 27 leaders had agreed to be interviewed and 24 of them had furnished lists naming 115 additional leaders. A majority of those were named only once, but 29 were mentioned 3-6 times, five 7-11 times and David Ogilvy capped the list with 14 mentions. During 1991 the author was able to tape record personal interviews with 25 leaders, most of whom had received multiple mentions by their peers.

During one segment of each interview the respondent was asked to name and discuss the contributions of individuals whom they felt had made the greatest impact on the advertising agency business. It was no surprise that Burnett, Ogilvy and Bernbach were often mentioned, and it was fascinating to hear the diversity of opinion about their contributions. These interviews, along with the author's own knowledge of the differing destinies of the agencies founded by the three men, prompted the author to search for clues to those destinies in their written and spoken communications.

The source material for this paper belongs in four categories: 1) first-person (and occasionally flawed) recollections of respondents gathered during personal interviews by the author; 2) books, speeches, articles and miscellaneous writings of the principals themselves; 3) transcribed or videotaped interviews conducted with the principals by reporters or others; and 4) news stories, articles and other items written about the principals by various authors. The Leo Burnett Company and Ogilvy & Mather have been especially helpful sources of privately published materials written by their founders. DDB/Needham has been no less generous, but, alas, Bill Bernbach left precious little in writing, either published or unpublished.

THE AGENCIES AND THEIR ORIGINS

Some of Leo Burnett's contemporaries in Chicago thought that August 5th, 1935, in the depths of the Great Depression, was a terrible time to open an advertising agency. When the receptionist of the newly formed agency set out a bowl of apples to "brighten up the place . . . a local newspaper columnist cracked, 'It won't be long 'til Leo Burnett is *selling* apples on the street corner instead of giving them away.'"[1] Twelve years later, in 1947, the company's annual billings had grown to $12 million and the Leo Burnett Company had moved up to number 25 on the list of the nation's biggest advertising agencies.[2]

One year later, in September 1948, David Ogilvy opened Hewitt Ogilvy Benson & Mather in New York city with British money and a boost from his brother, Francis. The London investors, S. H. Benson and Mather & Crowther, "thought they were financing an oversea subsidiary and installing David Ogilvy to run it; in fact they were launching an entrepreneur."[3] But they launched with caution, hiring an American, Anderson Hewitt, an account supervisor from J. Walter Thompson, as titular head of the agency.[4] Predictably there was friction between Hewitt and Ogilvy from the beginning and four years later both Hewitt and his name left the agency.[5]

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[1] *The Apple Story*, undated brochure published by Leo Burnett Company.

[2] "Report of Advertising Agency Billings," *Advertising Age* (February 1948): 00.

[3] Stanley Pigott, *OBM: a Celebration, One Hundred and Twenty-five Years in Advertising* (London: Ogilvy Benson & Mather, 1975), 48.

[4] Ibid., 46-47.

In 1961, 13 years after its founding, Ogilvy, Benson & Mather entered the top 25 of *Advertising Age's* annual list ranking U.S. agencies, with biilings of $47.5 million. Doyle Dane Bernbach had joined that exclusive club a year earlier, only 11 years after its founding on June 1, 1949, by Bill Bernbach, Ned Doyle and Maxwell Dane.

Bernbach, a creative director at Grey Advertising in New York City, had written a letter to the management of the agency that closed with the following statement: "Let us blaze new trails. Let us prove to the world that good taste, good art, good writing can be good selling."[6] Two years later, in the absence of a satisfactory response, Bernbach and Doyle, a Grey vice president and account executive, persuaded Dane, the owner of a small agency, to join them in founding the agency that would be credited by many with inciting and fueling a creative revolution in advertising.

THE FOUNDING FATHERS

Leo Burnett was a 20-year-old journalism student at the University of Michigan in 1911, the same year that David Ogilvy was born in Horsley, an English village about thirty miles southwest of London, and William Bernbach was born in The Bronx, New York.

Burnett, who was born and grew up in the small town of St. Johns, Michigan, would remain root and stalk a Midwesterner all his life. His first encounters with advertising copy and layout came in his father's dry goods store. At the University of Michigan he was night editor of the *Michigan Daily* and upon graduation he took a job as a reporter on the *Peoria Journal.* From Peoria he moved to Detroit and a position as editor of the *Cadillac Clearing House*, company house organ of the Cadillac Motor Car Company, where he was soon put in charge of the company's advertising.

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[5] David Ogilvy, *Confessions of an Advertising Man* (New York: Atheneum, 1963), 29-30.
[6] Bob Levenson, *Bill Bernbach's Book* (New York: Villard Books, 1987), xvii.

An unglamorous man whose most prominent physical features would be a paunch and a protruding lower lip, Burnett became an Advertising Man and apparently never thought of becoming anything else. He landed his first advertising agency job in 1920 with the Homer McKee Company in Indianapolis and ten years later joined the big-time agency, Erwin, Wasey and Company in Chicago. After five years with Erwin, Wasey, he founded the Leo Burnett Company in 1935 at age 44.[7]

That same year David Ogilvy, age 24, wrote *The Theory and Practice of Selling the Aga Cooker*, which *Fortune* magazine in 1971 called "probably the best sales manual ever written."[8] Young Ogilvy, the son of a father with good bloodlines but an empty purse, had discovered his gift for selling. That gift, in time, would become a virtual obsession and the instrument by which Ogilvy would try to exorcise the two principal demons of his youth: 1) his inherited poverty, and 2) his failure to pass scholarship examinations that would have led to an Oxford education.[9]

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[7] Leo Burnett, *Communications of an Advertising Man* (Chicago: Leo Burnett Company, 1961), dust jacket notes.

[8] *The Unpublished David Ogilvy: a selection of his writings from the files of his partners* (New York: The Ogilvy Group, 1986), 4.

[9] David Ogilvy, personal interview by the author, Phoenix, Arizona, October 30, 1991.

But the lack of an Oxford degree or a fat bankroll didn't hinder Ogilvy when he emigrated to the U. S. after World War II. He admits in his autobiography that "my English friends thought I was nuts." When explaining why he made the move, he writes, "Partly because I wanted adventure. Partly because I figured the same effort would produce three times as much lucre in America as in little England."[10] He came armed with irresistible weaponry: the looks, the charm and the accent of a British blueblood combined with the guts, the instincts and the persistence of a successful door-to-door salesman.

Ogilvy was also well-connected, which led to a research job with Dr. George Gallup, whom he still reveres. He became head of Gallup's Audience Research Institute, which served the movie industry, and credits the Gallup experience with giving him "More insight into the habits and mentality of the American consumer than most native copywriters can bring to bear. . ."[11] His work with Gallup was not his first experience as a researcher. He reports a long-time interest in research and adds that he briefly held the title of research director of a London agency before emigrating. He also finds it somewhat ironic that after he founded his agency in New York he became famous for his creative work even though research was always his first love.[12]

Research was definitely not Bill Bernbach's first love. He conceded that research could help decide what an ad should say, but always argued that research could never get an idea. He also insisted that advertising is persuasion, and that "people aren't persuaded through the intellect, they are persuaded through the passions."[13] And what better place to learn about persuasion and passions than The densely-packed, ethnically-rich Bronx where he grew up.

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[10] David Ogilvy, *Blood, Brains & Beer: The Autobiography of David Ogilvy* (New York: Atheneum, 1978), 65.
[11] Ogilvy, *Confessions*, 70.
[12] Ogilvy, personal interview, Phoenix.

Bernbach was born into a comfortable middle class family and enjoyed a comfortable, middle-class upbringing. He attended New York City public schools, majored in English at New York University and also studied music, business administration and philosophy. A brief biography describes Bernbach as "slight, pale, unathletic, and physically altogether unprepossessing" but also characterizes him as a ". . . blond, blue-eyed, quick-witted package of ego, ambition, confidence, determination, and energy. . ."[14]

After receiving his B. A. degree in 1932, Bernbach joined the Schenley Distillers Company in the mailroom and soon won a job in the advertising department. He left Schenley to work as a writer for Grover Whalen, head of the 1939 World's Fair, then moved on to the William H. Weintraub agency as a copywriter. At Weintraub, his collaboration with designer/art director Paul Rand influenced him powerfully, and "foretold the development of a more integrated approach to design and copy in advertising."[15] Speaking of Rand in 1953, Bernbach said, "He did for the advertising artist what Beethoven did for the musician: he actually liberated him."[16] Agency head George Lois, a disciple of Paul Rand and briefly an art director at Doyle Dane Bernbach, put it another way: "He (Bernbach) had an incredible understanding of how one and one could become three with the art director and writer working together. . . he learned that . . . from a guy by the name of Paul Rand."[17]

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[13] William Bernbach, quoting Aristotle in a videotaped interview by John Crichton, President of the American Association of Advertising Agencies, 1977.

[14] Levenson, *Bernbach's Book*, xv.

[15] *Contemporary Designers*, ed. Ann Lee Morgan (Detroit: MacMillan/Gale Research Co., 1984), 509.

[16] Sanford Margolis and Morton Silverstein, "This week is really going to be something." *Printer's Ink*, (2 January 1953): 29.

The Rand influence was ingrained in Bernbach when he joined Grey Advertising as a copywriter after a tour of duty in the U. S. Army. At Grey he moved up quickly to copy chief, then to vice-president and creative director. But Bernbach had a greater creative vision, and when the management of Grey did not respond to it, he found management partners in Ned Doyle and Maxell Dane who would. He also found Bob Gage, an art director partner at Grey, who shared his vision. He took Gage with him to Doyle Dane Bernbach—after trying, and failing, to persuade Paul Rand to take the job.[18]

THREE COPYWRITERS, THREE STYLES

Burnett, Ogilvy and Bernbach were all working copywriters and each created memorable advertising in his own right—and in his own distinctive style. More importantly, each held a distinct, unshakable core conviction of what made advertising work.

Burnett believed that there is "inherent drama" in every product, and that the copywriter's job is to immerse himself in the product, find that inherent drama and convey it to the customer in honest, unvarnished language. Ogilvy never wavered from his insistence that an effective advertisement must promise a benefit and give the customer a reason to buy the product. In this he claims direct descent from Claude Hopkins,[19] who preached and practiced the idea from 1907 until his death in 1932 and made it the centerpiece of his book of rules, *Scientific Advertising*, in 1923. Bill Bernbach decried the idea of advertising as science and said, in a thinly-veiled reference to Ogilvy and his ilk in 1953: "They're scientists. But there's one little rub . . . They forget that advertising is persuasion, and persuasion is not a science, but an art. Advertising is the art of persuasion."[20] He also preached that for advertising to be effective it must be fresh and original.

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[17] George Lois, personal interview by the author, New York City, July 15, 1991.

[18] Ibid.

[19] Ogilvy, personal interview, Phoenix: "Here's one line of apostolic succession: Claude Hopkins starts this line. Next in that line is Rosser Reeves. Next in that line is me."

While the advertising copy written by each of the the three is revealing, there is much more to be learned by examining the content and the volume of their other writings—the memoranda, speeches, books—and the statements they made during many interviews throughout their careers. Studying these writings and statements gives one a rather clear picture of the core values and business principles embraced by each man, as well as a less clear, but strongly indicative, glimpse of their companies' futures.

BY THEIR WORDS YE SHALL KNOW THEM

To sum up the writings of the Three Giants in a single sentence, Leo Burnett wrote mostly to his own employees and to people in the advertising business about values, integrity and hard work; David Ogilvy wrote to the whole wide world about how to succeed in advertising; and Bill Bernbach wrote hardly at all.

To honor Burnett at 70, a group of his associates published, in 1961, *Communications of an Advertising Man*, a 350-page collection of his speeches, articles, memoranda and miscellany. Most were written during the 1940s and 1950s, with one dating back to 1935, the year the agency was founded.[21] In his public messages he was a staunch advocate and defender of advertising and the advertising business. He blamed boring advertising on "Boring messages created by bored advertising people."[22] He chided laziness and lauded hard work, a theme that runs through Burnett's messages to his own employees. While he never hesitated to give specific instructions for making better advertising, his messages were for the most part expressions of his own principles and values: integrity, independence, honesty, loyalty, hard work, plain speaking, self respect, respect for the customer, respect for advertising. One could liken his writings to articles of faith—a kind of Burnett business theology.

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[20] Margolis, Silverstein, *Printer's Ink*, 28.

David Ogilvy was also honored by his associates, who published, in 1986 on his 75th birthday, *The Unpublished David Ogilvy—a Selection of His Writings from the Files of His Partners*. Before this slim, 149-page volume was published, Ogilvy had written and published three books of his own: the best-selling *Confessions of an Advertising Man* in 1963, a disastrous autobiography, *Blood, Brains & Beer* in 1978, and the highly successful *Ogilvy on Advertising* in 1983. He also wrote and sponsored the writing of Magic Lanterns—instructional audio-visual presentations on travel, corporate, direct response, business to business and other forms of advertising—for use by employees worldwide, as well as a constant stream of advice and admonition through memoranda and dozens of articles published in *Viewpoint*, the agency's glossy house organ. He also urged his partners to write instructive, how-to articles, pamphlets and books—all in the interest of establishing a "corpus of knowledge" that could be shared with Ogilvy employees as part of a tightly organized formal training program.[23] These materials are still being used by the company in support of Ogilvy's ambition to be "One agency indivisible: the same advertising disciplines, the same principles of management, the same striving for excellence."[24]

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[21] Burnett's associates also published a collection of 12 Burnett "classics" in a handsome memorial volume after his death in 1971.

[22] Burnett, *Communications of an Advertising Man*, 25.

Like Burnett and Ogilvy, Bernbach was honored by the private publication of a book, *Bill Bernbach said . . .* The book was published on the 40th anniversary of Doyle Dane Bernbach's founding, but unlike Burnett's 350-page opus or Ogilvy's 149-page collection, Bernbach's memorial is a tiny, 24-page accumulation of 83 axioms and aphorisms, such as: "The magic is in the product." or "Execution becomes content in a work of genius." Most of these gems are taken from *Bill Bernbach's Book*, a handsome, coffee-table collection of many of the best Doyle Dane Bernbach advertisements interspersed with the above-mentioned axioms and a few anecdotes. Edited by Bob Levenson, former worldwide creative head of DDB, and published in 1987, the book opens with a dedication by Bernbach and includes a response by Bernbach to an attack by Arnold J. Toynbee on the morality of advertising and a revealing letter to Theodore H. White discussing their mutual concern about the use of advertising in supporting political candidates. Levenson, in his introduction, refers to having worked "With his (Bernbach's) speeches, with countless interviews and articles by him and about him, and with a number of taped transcripts in which he outlined his thoughts."[25] That Levenson's research yielded so little tends to confirm that Bill Bernbach left very little in writing.

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[23] A benefit emphasized in 1975 by the late Andrew Kershaw, then Chairman of Ogilvy & Mather USA, while negotiating with the author and his partners the acquisition of their advertising agency.
[24] David Ogilvy, foreword to booklet *Ogilvy & Mather in Japan*, 1985.

CAUSES AND EFFECTS

The thesis that the writings of Leo Burnett and David Ogilvy—and the relative absence of writings by Bill Bernbach—had a significant, even predictable, impact on the destinies of their companies is clearly not provable in any absolute sense. The author proposes, however, that there is a strong, demonstrable, correlation between what the three men wrote and what became of their agencies. The author also suggests that the correlation is so striking that it provides a useful lesson for any business or organizational leader who is concerned about the long-term success of an enterprise. The concluding section of this paper offers a short summary of the author's arguments as they apply to each of the three companies.

IS THE LEO BURNETT COMPANY RUN BY A GHOST?

This rhetorical question was posed by Rick Fizdale, then Burnett President and Chief Creative Officer, in a speech he gave to the Chicago Advertising Club. In that speech Fizdale said:

> You cannot work at the Leo Burnett Company for any length of time and not come into contact with Leo. His ideas, his principles, his ethics, his standards, and his common sense have been kept alive by a direct laying on of hands from one Burnett generation to the next. Leo survives, in large measure, through his writings, with passages so clear and correct, so eloquent and timeless, you wonder if

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[25] Levenson, *Bernbach's Book*, vii.

> Jefferson guided his hand. So much of what he believed continues to make so much sense, we practice it today. His hold on the company he invented is stronger than the steel or granite of the building that bears his name.[26]

Fizdale's use of the terminology "laying on of hands"is notable for its suggestion of religious ritual—a formal ceremony involving vows of faith. The author does not mean to suggest that Burnett CEOs are literally "called and ordained," but it does seem clear that when Rick Fizdale accepted the post of Chairman and Chief Executive Officer in January 1992, he also accepted the implicit obligation to put Leo Burnett's principles and priorities ahead of his own. Fizdale said that Leo survives through his writings. Because Burnett's principles and standards are written down they are all but impossible to ignore. Every employee has a copy of Leo's classic remarks, "WHEN TO TAKE MY NAME OFF THE DOOR," which comprises a virtual catechism of 20 principles of the founder. Inside the company today there are many devoted Leo Burnett followers who never met the man.

Probably the single most important tenet laid down by Burnett was the principle of independence. Referring to the painful, costly experience Burnett had had in buying out one of the founding investors who never worked for the company but meddled in its management, Fizdale wrote, in a posthumous letter addressed to Leo: "That experience forged in you an unbendable determination to keep us forever private. Your insistence on it is so firmly ingrained in our culture, nobody would dare suggest we go public."[27] Again, they have it in writing—straight from the founder's heart and gut. And because the Leo Burnett company remained privately owned, it never lost control of its own destiny, never fell victim to the takeover binge of the 1980s.

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[26] Richard B. Fizdale, *Tribute to Leo*, reprint of a speech given to the Chicago Advertising Club, January 25, 1990, 3.
[27] Ibid., 6.

OGILVY & MATHER—GENTLEMEN WITH BRAINS

When David Ogilvy stepped down as Chairman of Ogilvy & Mather International, he called his successor, Jock Elliott, "A gentleman with brains," the highest praise he could bestow on one of his associates.[28] Ogilvy's respect for brains is evident throughout his writings, which have had, and continue to have, a powerful influence on the company he founded and built. Ogilvy's writings are, however, more instructional than inspirational. If Burnett's writings came straight from the heart and the gut, Ogilvy's came straight from the cerebrum. And the cerebrum produced, among other things, endless lists, including a list of agency principles—none of which is likely to ignite passions or inspire loyalty among Ogilvy employees:

1. To serve our clients more effectively than any other agency.
2. To maintain high ethical and professional standards.
3. To run the agency with a sense of competitive urgency, and to strive for excellence.
4. To earn a significant increase in profits every year.
5. To make Ogilvy & Mather the most exciting agency in which to work, and to offer outstanding career opportunities.
6. To earn the respect of the community.

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[28] David Ogilvy, "David Ogilvy Salutes Jock Elliott..."A Gentleman With Brains," *Viewpoint*, Vol. 1, 1982, 2.

Always instructing, Ogilvy wrote about research, about direct response, about brand image, international advertising, advertising history, agency hiring and firing, leading and managing; and always he wrote about selling. He insisted that his partners do likewise, prompting such titles as "How Hard It Is to Write Easily" by his successor, Jock Elliott; "Principles of Account Management" by Elliott's successor, Bill Phillips; "Writing That Works" by Phillip's successor, Ken Roman (with Joel Raphaelson); and: "Brands: The Role of Advertising, or, The Importance of a Strong Brand Franchise" by Roman's successor, Graham Phillips. When the author of this present article retired from an Ogilvy subsidiary in 1987, he carted away enough written materials to fill two file drawers. Those materials, and others produced since then, continue to influence the operations and the products of Ogilvy offices around the world, but there is little in any of them to inspire personal devotion and fidelity.

Probably the most critical omission in David Ogilvy's thinking and his writings was the idea of remaining independent. He admits that it was his greatest mistake. In recalling his determination to take the company public, Ogilvy said, "I did it for reasons of pure greed. I'd been terribly poor. My family, my father, had an income of about 300 pounds a year and five children through most of my growing up. And I got money." He added, "But it turned out to have been a terrible mistake, because it led to our being taken over, which really was for me a great personal tragedy. I cried in bed at night over it for quite a long time. It was a very bad thing for me."[29]

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[29] Ogilvy, personal interview, Phoenix.

BILL BERNBACH—THE MAESTRO, PATRON SAINT

"The Maestro" was the grandest title agency head George Lois could think of to bestow on Bill Bernbach, for whom he worked in 1959. Until Bernbach, The Maestro was the legendary Arturo Toscanini, who bought roses from the Lois family flower shop and who epitomized excellence and good taste in the eyes of George's Greek immigrant father. [30] George Lois, like hundreds of other creative people in advertising, had fallen under Bernbach's spell long before he met him. Most of Bill Bernbach's disciples never actually worked at Doyle Dane Bernbach, but many of them would rather have worked for him than for anyone else in the business.

Not everyone who worked for Bernbach stayed at the agency. But those who did stay became superstars by creating advertising for Levy's Jewish Rye Bread, Ohrbach's, El Al Airlines, Volkswagen, Avis Rent-a-Car, Polaroid and others. Under his guidance, people like Phyllis Robinson, Bob Gage, Bob Levenson, and Helmut Krone brought about no less than a paradigm shift—from advertising typically thought up by writers and laid out by artists to advertising created by writer/art-director teams working in true give-and-take partnerships. The creative work he nurtured set new standards of freshness, originality and emotional impact —while remaining relevant and faithful to the essence of the product.

As the agency flourished, Bernbach actually did little of the creative work himself. But he considered it his own and constantly prodded, cajoled and inspired his talented partners to "Be sure your advertising is saying something with substance, something that will inform and serve the consumer, and be sure you're saying it like it's never been said before."[31] And so they did; his people responded to his direction and his spirit and created wonderful advertising. But Bernbach not only inspired great advertising, he also sold it and defended it relentlessly to the agency's clients. His reputation for not yielding to client nit-picking won him the undying devotion of his own people and made him a kind of patron saint of advertising among young copywriters and art directors everywhere.[32]

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[30] George Lois, *George, Be Careful* (New York: Saturday Review Press, 1972), 9.

Bernbach's influence at Doyle Dane Bernbach was, however, dependent largely on his physical presence, and when he was no longer there, his influence began to fade rather quickly. It is a great irony that while Bernbach's influence declined inside the company, it continued to grow and flourish within the agency business at large. Who knows what might have happened had Bernbach bound his successors to his guiding principles by writing a little speech called "WHEN TO TAKE MY NAME OFF THE DOOR," or had he insisted that his partners help him create a "Corpus of Knowledge" to help hold the company on a steady course.

CONCLUSION

The advertising agency business will never again see the likes of the Three Giants. Leo Burnett, David Ogilvy and Bill Bernbach each built great agencies from scratch on the strength of their talents, their egos, their ambitions, their energy and their unshakable devotion to a few core business principles and ideals. They didn't build their agencies all by themselves, but there was never any doubt that each was the driving force behind his company's success. Each of the three agencies they built reached the top five in size among all advertising agencies—clearly the pinnacle of success. Reaching the pinnacle and remaining at the pinnacle are, however, two different matters, and therein lies the great contrast among the three.

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[31] Bill Bernbach, *Bill Bernbach said...*(DDB/Needham, New York, 1989), 9.

[32] The author of this article, a young copywriter during the late 1950s and early 1960s, was among those who sent a resume and samples to Doyle Dane Bernbach in an unsuccessful effort to secure a job interview.

Today, only the Leo Burnett Company remains among the top five biggest agencies. David Ogilvy calls it "The best advertising agency in the world."[33] That does not mean that things have been easy for the company. Its campaign for Miller Lite Beer has been called a failure; it weathered a crucial review and retained the Oldsmobile account in 1993; widespread client budget cuts have created the same kinds of pressures on profitability that affect every other major agency. But the company still remains privately owned and still belongs to Leo Burnett, who is—through his writings—alive and well and walking the halls.

David Ogilvy is, of course, literally alive and well and walking the halls of Touffou, his chateau in France. He still speaks and writes for the agency that bears his name, but he doesn't own it. The agency's new CEO, Charlotte Beers, has Ogilvy's blessing,[34] but she was hired by Martin Sorrell, the man who engineered the hostile takeover of the agency. Sorrell, in a conciliatory move, invited Ogilvy's continued involvement in the company in an honorary and advisory capacity. Giant Ogilvy & Mather has slipped well off its pinnacle since the takeover, but the writings of its founder are an important part of the glue that binds its more than 200 worldwide offices into "One agency, indivisible."

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[33] Ogilvy, personal interview, Phoenix.

[34] David Ogilvy, personal letter to the author, May 7, 1992.

Which brings us to Doyle Dane Bernbach, agency invisible, reduced to the acronym DDB in DDB/Needham Worldwide. Keith Reinhard, CEO and one of those young copywriters of the 1950s and 1960s who emulated Bernbach, strives to keep the ideals of The Maestro alive. But Bernbach has become more of an icon than a living presence, and his collected axioms give Reinhard and his partners little direction in meeting the challenges of the 1990s. Neither are Bernbach's axioms enough to inspire a new generation of young creative people, many of whom have little interest in the "creative revolution of the sixties" and have grown weary of hearing their elders glorify him. Would a substantial body of writings by Bill Bernbach have made a difference? The author believes so, yes.

TESTING THE THESIS—WHAT DO OTHER SUCCESSORS THINK?

This paper grew, in part, from the author's personal interviews with one of the successors of each of the three principals discussed: Jock Elliott, immediate successor to David Ogilvy; Hall (Cap) Adams, CEO of The Leo Burnett Company from 1987 through 1991, and Keith Reinhard, present CEO of DDB/Needham. The author is now seeking to interview the several other living former CEOs of the three companies in order to gain a more personal assessment by those men of the impact of the founders' writings. The author does not expect these interviews to prove or disprove the thesis; he simply believes that the subject deserves further study, and expects that the additional interviews will provide useful insights into the power of writing in perpetuating a founder's influence.

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The Effect of Serial Position on TV Advertisement Recall:

Evidence from Two Years of Super Bowl Advertising Data

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Abstract

Examining two years of data from the taped Super Bowl broadcasts and the Super Bowl advertising surveys, the present study found that the serial position of an advertisement within an in-program commercial break has an effect on the advertisement's probability of being recalled by viewers. Strong primacy effect was evident and moderate recency effect was also suspected. Reasoned interpretation and implication were also presented.

I. Introduction

For an advertisement to produce a desired effect in today's advertising "clutter," it should be well designed, well produced and well presented. If it isn't, people will not remember the advertisement and its effect on buying decisions will be minimal. For this reason, the probability of advertisement recall has been considered as an important barometer of how successfully an advertisement influenced people.

Identifying the factors that determine the probability of advertisement recall has been a persistent problem that has challenged many advertising researchers. At its center is the question of how to construct an advertisement to produce better recall. The research has established three categories of factors: (1) *quality* (e.g., likability, credibility of spokesperson, sex appeal, etc.); (2) *quantity* (e.g., length, frequency, etc.); and (3) *location* (e.g., medium choice, vehicle choice, etc.). "Quality" and "quantity" are sometimes grouped together as "content" factors. For any one category to be significant, it must be independent of the other two factors, because they all determine the probability of advertisement recall.

Quantity and location are the two areas of media planning, whereas quality can be attributed to the creative and production aspects of an advertisement. Quantity factors indeed have provided significant effects on recall rate (e.g., Barclay *et.*

al., 1965; Wheatley, 1968). Location factors, including the choice of medium and the choice of a specific vehicle (e.g., program in broadcasting advertising) in the medium, also are important in terms of exposure, which is a prerequisite for recall. Vehicle choice is as important as medium choice because not all portions of a medium are favored or, at least, attended to by the medium's users. As a result, advertisers have to pay a premium for highly rated programs on television and radio. They pay a similar premium for advertising in periodicals with high circulation.

The location of commercial breaks in television programs also can make a difference in an advertisement's probability of being recalled. Barclay *et. al.* (1965) found that "in-program" advertising in television advertising, compared with "spot" advertising, is more likely to be viewed and consequently remembered by viewers.

This finding suggests that a more micro-level analysis might be revealing. Is there any difference among different positions *within* a commercial break? Should the price of each position be the same or different? In practice, the price-per-second for all ads is the same, regardless of location. Although in some cases the within-break position can be a matter of negotiation between the broadcaster and the advertiser, there is no systematic rule for pricing different positions in a break. John Hunt, Associate Director of Media Research at Ogilvy and Mather, New York, said, "If ... advertisers demand to buy specific commercial positions in a tight economy or high-demand period, [it] could work to their disadvantage because the networks would add premiums to those positions" (Brown, 1988, p. B.T.38). Paying a premium therefore seems to be the only way to choose a specific position in a commercial break because location traditionally has been the broadcaster's decision. If indeed location influences recall, the existing situation means that getting the best advertising position in a break is almost entirely a matter of luck. Only those sponsors willing to pay a premium can have any control over the within-break position.

Determining the best within-break position, however, is difficult. In the case of spot advertising, where the spot generally falls between the highly rated program (previous) and the lowly rated program (following), earlier positions are definitely better than later ones. But, what is the best position in the in-program commercial break? During the late 1980s, Seattle-based R. D. Percy & Co. released the "second-by-second measurement of dial switching and passive people-meter analysis" (Brown, 1988) to consider the difference in rating within a commercial break. The data indicated that earlier positions were more effective than later ones. Most advertisers maintain the belief, which was reinforced by these data, that the first may be the best position, at least in light of an advertisement's exposure or attention. There have been few academic studies on this within-break position issue, however, and the results are inconclusive (e.g., Zhao, 1989). The academic studies undeniably have failed to prove the pervasive practical notion.

Because advertising is an end branch of the tree of science, it has been linked with, and nourished by, various human and social sciences. To answer this unexplained but important "position" question in advertising, a classic psychological theory called the "serial position effect" provided a good reference.

Serial position effect on (order-)free recall was explained by many experimental psychologists mainly in the 1950s through the 1970s. In most experiments, subjects were asked to read or listen to a series of nonsense syllables or unrelated words, and, immediately after the presentation, they were asked to recall as many items as possible, regardless of the presented order. As shown in Figure 1, almost all experiments found that people tend to remember the last few items best ("recency" effect), the first few items better ("primacy" effect) and the items on the middle worst ("asymptote") (e.g., Craik, 1970; Deese & Kaufman, 1957; Murdock, 1962; Raffel, 1936).

Figure 1 about here

In a real setting, however, determining the significance of a factor related to advertising effectiveness is not an easy task because of numerous intervening factors. Consequently, there are some important considerations when applying this psychological theory to television advertising settings. First, the classic psychological theory was built and supported in laboratories, not in the real world. An unnatural (forced) attention level in the laboratory may generate an unnatural memory pattern.

Real advertising situations are much more complex because of many types of intervening factors, such as "selective exposure" and "selective attention." Second, there is no fixed number of advertisements in a commercial break of a television program, and the length of each advertisement can be different. Also, television viewers are exposed to multiple series (more than one set) of commercials even in a single hour. In this sense, the "primacy" and "recency" effects found in experimental settings lose part of their value in real television advertising situations, because no advertisement is actually the first or the last item presented. Furthermore, the effect of an advertisement should be cumulative or integrative if the advertisement presentation is repeated, and the effect also may be influenced by other cluttering advertisements. Finally, advertisements provide a memory load quite different from the random items used in psychological experiments. For instance, television advertisements typically contain emotional or informational words and visuals designed to persuade viewers. The messages are aggressive and dynamic, whereas the experimental items of psychologists are passive and static.

There have been a few applications of this classic psychological theory to mass communication. Tannenbaum (1954) demonstrated that serial position in radio newscast items has an effect on the probability of recall. Recently, Cremedas *et. al.* (1992) also found a significant effect for serial position in a newscast. Their experiment revealed that, among three news stories, the first story is most likely to be recalled, the second story the second most, and the last story the least. However, these results were obtained under laboratory conditions and thus cannot be generalized directly to the television advertising setting in real situations.

Considering these differences, the present study was designed to investigate possible serial position effects in real television advertising situations. Are earlier positions really the better positions, as most advertisers believe (\-type trend)? Or are the first few and the last few positions better than middle positions, as the classic psychological experiments revealed (U-type trend)? The former hypothesis may be more related to exposure and attention effects, whereas the latter is more concerned with "memory (retention)" effect. Because almost no research has been conducted to explain adequately this within-break position problem, the present study started with six possible exploratory hypotheses:

1. The *earlier serial positions* are better (\-type trend in serial positions within the break).

2. The *later serial positions* are better (/-type trend in serial positions within the break).
3. The *earliest* and the *last serial positions* are better than middle serial positions (U-type trend in serial positions within the break).
4. The *earlier time positions (segments)* are better (\-type trend in time positions within the break).
5. The *later time positions* are better (/-type trend in time positions within the break).
6. The *earliest* and the *last time positions (segments)* are better than middle time positions (U-type trend in time positions within the break).

II. Method

A. The 1992 and 1993 Super Bowl games.

The Super Bowl broadcast was considered to be one of the better programs to study the effect of serial position of advertisement in real television advertising settings. The program has a high rating (approximately 70% of the respondents watched at least a part of the game in each year), and almost all advertisements are on their first launches. Therefore, the sample represents the population with low probability of error. In addition, the cumulative effect of an advertisement on the audience can be largely eliminated. The two games (1992 and 1993) were tape-recorded, including pre-game, half-time and post-game shows. One control variable, the Length of each advertisement (in seconds), and the six position variables were created based on these taped Super Bowl broadcasts. After the six position variables were coded, all network announcements and television show advertisements were excluded from the sample because they were not of interest. Some advertisements that appeared more than once also were eliminated, because they had more than one value for each position variable. Finally, a few advertisements with unreliable Recall Rates or Average Liking Indices were taken out of the sample because the values were based on relatively small (less than 5) numbers of respondents. After all exclusions (approximately 40% of all ad presentations), 64 advertisements remained and were used as the sample for the present study.

The Length of each advertisement was simply measured in seconds, and the within-break positions of each advertisement were measured in six different ways to produce the following position variables:

1. Ascending Order (AO; Hypothesis #1)

The forward serial order of each advertisement in the break. (Ex.) The third advertisement in a six-ad break was coded as 3.

2. Descending Order (DO; Hypothesis #2)

The backward serial order of each advertisement in the break. (Ex.) The first advertisement in a five-ad break was coded as 5.

3. Adjacency in Order (ADJ-O; Hypothesis #3)

The smaller number between the values of the two previous order variables (1 and 2). This value represents how the advertisement is adjacent to the previous or the following main program in terms of serial order.

4. Time After (TA; Hypothesis #4)

Measured how long after (in seconds) the beginning of the commercial break (equivalent to the end of the previous main program) the advertisement appeared. The middle point of each advertisement was taken. (Ex.) If the whole commercial break lasts 180 seconds and a certain ad was presented from the time position (segment) of 90 to 120 seconds, the ad was coded 105 [<— (90+120)/2].

5. Time Before (TB; Hypothesis #5)

Operationalized by measuring how long before (in seconds) the end of the commercial break (equivalent to the beginning of the following main program) the advertisement appeared. The middle point of each advertisement was taken. (Ex.) If the whole commercial break lasts 240 seconds and a certain ad was presented from the time position (segment) of 120 to 180 seconds, the ad was coded 90 [<— 240-(120+180)/2].

6. Adjacency in Time (ADJ-T; Hypothesis #6)

The smaller number between the values of the two previous "time" variables (4 and 5). This value represents how the advertisement is adjacent to the previous or the following main program in terms of time.

Descending Order (DO) is not perfectly (and negatively) correlated with Ascending Order (AO) because the number of advertisements in a commercial break varies. For instance, the second advertisement (AO = 2) in a five-ad break obtained "4" for the value of Descending Order (DO); however, the second advertisement (AO = 2) in a three-ad break was coded "2" in Descending Order (DO). In this sense, Time After (TA) and Time Before (TB) do not have perfectly negative correlation, either.

B. The Super Bowl Advertising Surveys in 1992 and 1993.

For the three days after the Super Bowl games in 1992 and 1993, telephone interviews (n > 250 in both years) were conducted by undergraduate students enrolled in an advertising research class in a southeastern university. The questionnaires were composed of approximately 100 questions asking whether the respondents remembered each advertisement that appeared in the segment of the Super Bowl broadcasts they said they watched, and, if so, how they liked the advertisement on a 1-9 point scale. These questions served as the sources of Recall Rate and another control variable, Average Liking Index.

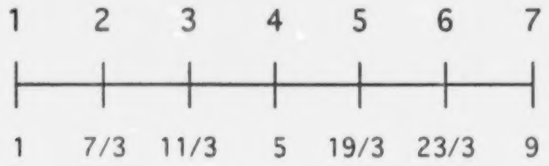
Recall Rate for each advertisement, was calculated by the following formula:

$$\text{Recall Rate (\%)} = \frac{R_r}{R_w} \times 100$$

where R_r = number of respondents who recalled the ad
R_w = number of respondents who watched the segment of the program where the ad appeared

The denominator in the formula was available because there were screening questions in both years at the beginning of the two questionnaires asking which segment(s) of the Super Bowl game each respondent had watched. For example, if a respondent answered that he or she watched the first half of the ball game, only the questions for the advertisements that appeared in the first half were asked. Hence, all respondents counted in the numerator were necessarily included in the denominator.

The Average Liking Index for each advertisement, which was used as a control variable, was measured with a 1-9 scale (1 indicated "one of the worst ads that night" and 9, "one of the best ads that night"). The 1992 questionnaires originally had 1-7 scale and were converted to 1-9 scale for data consistency, as indicated by the figure below.



C. Framework of the Study

This study examined which variable(s), if any, among the six "position" variables (AO, DO, ADJ-O, TA, TB and ADJ-T) is(are) significantly correlated with Recall Rate when the two content variables, Length and Average Liking Index, are controlled. Therefore, a series of partial correlation analyses was conducted to test the strength and the direction of the effects of each position variable on Recall Rate. Multiple correlation analyses were carried out to supplement the results. To visualize the partial correlation analyses, the *standardized residual value* of the Recall Rate that remained after extracting the variance explained by the two control variables (Length and Liking) was computed and used as the Y-axis value in scatterplots. The X-axis value(s) was any significant position variable(s) among the six position variables.

III. Results

Findings from this study confirmed the existence of serial position effect in television advertising. Table 1 shows zero-order, second-order correlation coefficients, R-squared values (amount of variance explained) and corresponding probability values.

Table 1 about here

As expected, the two zero-order correlations between each of the two content (quality & quantity) variables – which were used to control the effects of quantity (Length) and quality (Liking) factors of the advertisement – and Recall Rate were significant at $\alpha = 0.05$ levels. The partial correlation analyses controlling Length and Liking revealed that the two position variables, Ascending Order (hypothesis #1) and Adjacency in Order (hypothesis #3), were significant at $\alpha = 0.05$ and 0.1 levels, respectively.

The second-to-last column in Table 1 shows the amounts of variance explained (R-squared) by the two content (Length & Liking) variables (the first row) and the two content variables *plus* each individual position variable (the next rows; not cumulated). Approximately 12.56% of the variance was explained by the two content variables (Length and Liking). By adding Ascending Order (AO), the R-squared was increased to 17.23%, which was the greatest improvement provided by one position variable to the original content variable model (with Length and Liking).

The last column presents how the R-squared changes if *each* two-variable cluster were added into the original content variable (Length and Liking) model. The first cluster was the ascending (hypothesizing /-type trend) factors, the second the descending (\-type trend) factors and the last the adjacency (U-type trend) factors. The ascending factors explained the most variance (18.05%), the adjacency factors the second most (17.10%), and the descending factors the least (16.09%).

Figure 2 about here

The upper graph in Figure 2 is the scatterplot with Ascending Order (AO) as the X-axis value and the standardized residual value of Recall Rate as the Y-axis value. The standardized residual value of the Recall Rate was obtained by extracting the variance explained by the two content variables, Length and Liking. The lower graph is the scatterplot with the Adjacency in Order (ADJ-O) as the X-axis value and with the same Y-axis value. The expectation (regression) lines were overlapped to show the direction of the relationship.

IV. Discussion

Based on the results of the partial correlation analyses and the scatterplots, it can be concluded that the Ascending Order (AO) and the Adjacency in Order (ADJ-O) have significant effects. This indicates that earlier advertisements within a break are more likely to be recalled ($p < 0.05$), and that advertisements that are close to either the previous or the following main program are also better recalled ($p < 0.1$).

How then are the results of the present study comparable with the classic serial position effect theory (U-type trend) in psychology and with the pervasive beliefs of advertisers (\-type trend)? Based on the scatterplots (Figure 2), the primacy effect can be easily observed. The negative and statistically significant correlation between Ascending Order (AO) and Recall Rate (Table 1) confirms the primacy effect (partial $r = -0.23$; $p < 0.05$). Incidentally, the Adjacency in Order (ADJ-O) was also significant at the $\alpha = 0.1$ level. The Adjacency in Order (ADJ-O) variable hypothesizes the U-type trend (both primacy and recency effects) of advertisement recall according to serial position in a commercial break. If the lower graph of Figure 2 is symmetrized (or, mirrored) around the right-side Y-axis, a U-type trend can be found easily. In addition to primacy effect, this implies a recency effect (partial $r = -0.18$; $p < 0.1$), even though it is not as strong as the primacy effect because Ascending Order (hypothesizing only primacy effect) was significant. Integrating the two results theoretically allows for drawing a new serial position curve in television advertising, with strong primacy effect and relatively weak, but existing, recency effect. Figure 3 summarizes the generalized serial position curve based on the findings of the present study.

Figure 3 about here

In the original serial position effect (strong recency and moderate primacy effects) theory in psychology, researchers were concerned mainly with human memory, whereas most advertisers' beliefs (primacy effect only) were more related to exposure and attention factors. It is important to note that selective retention (memory), selective exposure, and selective attention are all involved in real television advertising situations. In other words, in addition to the possible memory effect that causes people to remember the first and last few advertisements better, people also may leave their television sets during the commercial break, browse through other channels to find a more interesting program, or talk with their families or friends. Therefore, the new serial position curve in Figure 3 is the reflection of the integrated effects of selective exposure and selective attention as well as selective retention (memory) in real television advertising settings.

Figure 4 about here

Figure 4 is a theoretical explanation of the serial position effect in real television advertising situations that was illustrated in Figure 3. The theoretical integration of the memory (retention) effect, which was adopted from early research results in psychology, with the exposure + attention effect, which has been a pervasive belief among advertisers, yields a result consistent with the findings of the present study.

Regardless of which effect – memory or exposure + attention – is more influential, the findings of the present study have a direct and clear implication. Advertisers do not want to make their expensive advertisements monologues disappearing in the air. They have no control, however, over the placement of advertisements unless they pay a premium to make sure that their precious advertisement will lead the commercial break. Chance placement may not be the best solution. If a certain position is more likely to be attended to by viewers, the position should be more expensive, and if a position is mostly ignored, it should be cheaper. This is the idea that underlines the high pricing of commercial time during a highly rated program such as the Super Bowl. Advertisers are willing to pay more money because they expect more people to see their advertisements. The same principle could be applied when pricing different positions within a commercial break, if any systematic difference in recall rate is evidently present.

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Table 1.

Analyses of Correlations with Average Recall Rate

(Pearson's Zero-order, Second-order Correlation Coefficients and R-squared)

Variable (Abbreviation)	r	Partial r†	R^2-ind.††	R^2-grp†††
Content Variables:				
Length	0.25*			
Average Liking Index (Liking)	0.31*		0.1256	0.1256
Position Variables:				
Ascending Order (AO)	-0.26*	-0.23*	0.1723	0.1805
Time After the Main Program (TA)	-0.16	-0.14	0.1419	
Descending Order (DO)	0.05	0.05	0.1281	0.1609
Time Before the Main Program (TB)	0.17	0.12	0.1388	
Adjacency in Order (ADJ-O)	-0.26*	-0.18°	0.1534	0.1710
Adjacency in Time (ADJ-T)	-0.13	-0.07	0.1300	

* Significant at $\alpha = 0.05$ level.

° Significant at $\alpha = 0.1$ level.

† Partial correlation coefficients between each "position" variable and Recall Rate, controlling for the two "content" variables (Length and Liking).

†† R-squared for content variables is the square of the multiple correlation coefficient (R) between the two "content" variables and Recall Rate. R-squared for each "position" variable is the improved R-squared obtained by adding each "position" variable (not cumulated) to the initial "content" variable (Length and Liking) model.

††† R-squared for each cluster of "position" variables is the improved R-squared obtained by adding each cluster of "position" variables to the initial "content" (Length and Liking) variable model.

Figure 1
Classic Serial Position Curve found by Psychologists

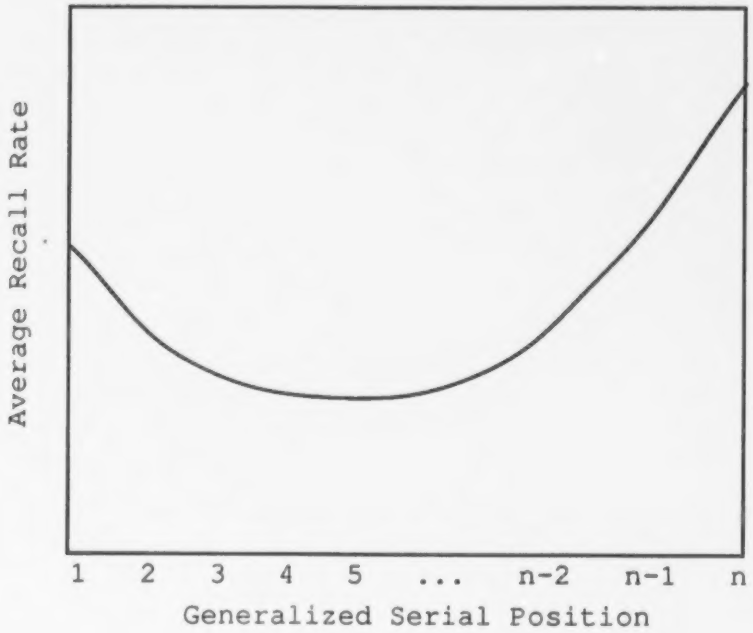
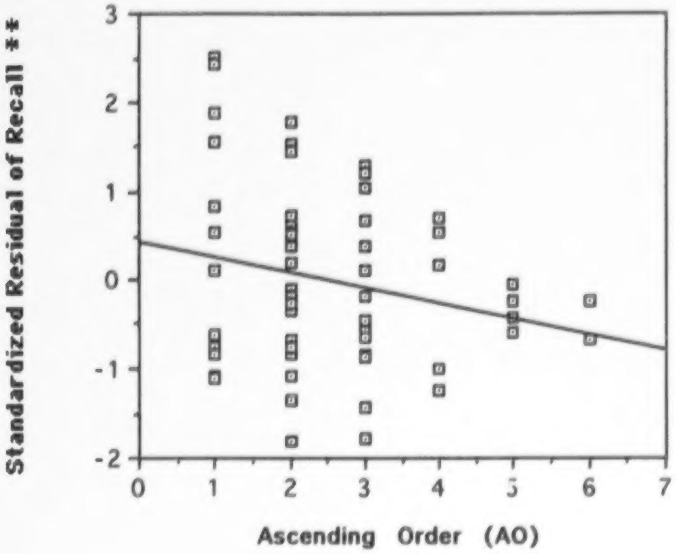
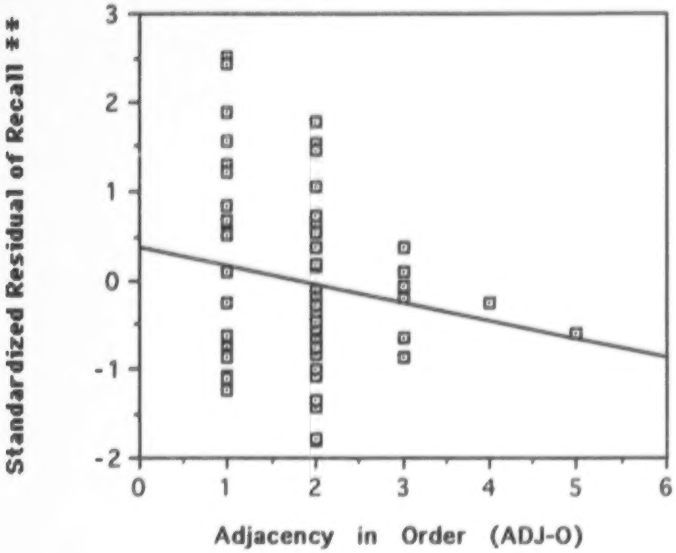


Figure 2.
Scatterplots of the Standardized Residual of Recall Rate (Y)
by Ascending Order and Adjacency in Order (X's)*





* Ascending Order (AO) was statistically significant at $\alpha = 0.05$ level and Adjacency in Order (ADJ-O) was at $\alpha = 0.1$ level.

** Standardized Residual Value of Recall Rate that remained after extracting the variance explained by the two "content" variables (Length and Liking).

Figure 3
Genaralized Serial Position Curve in TV Advertising

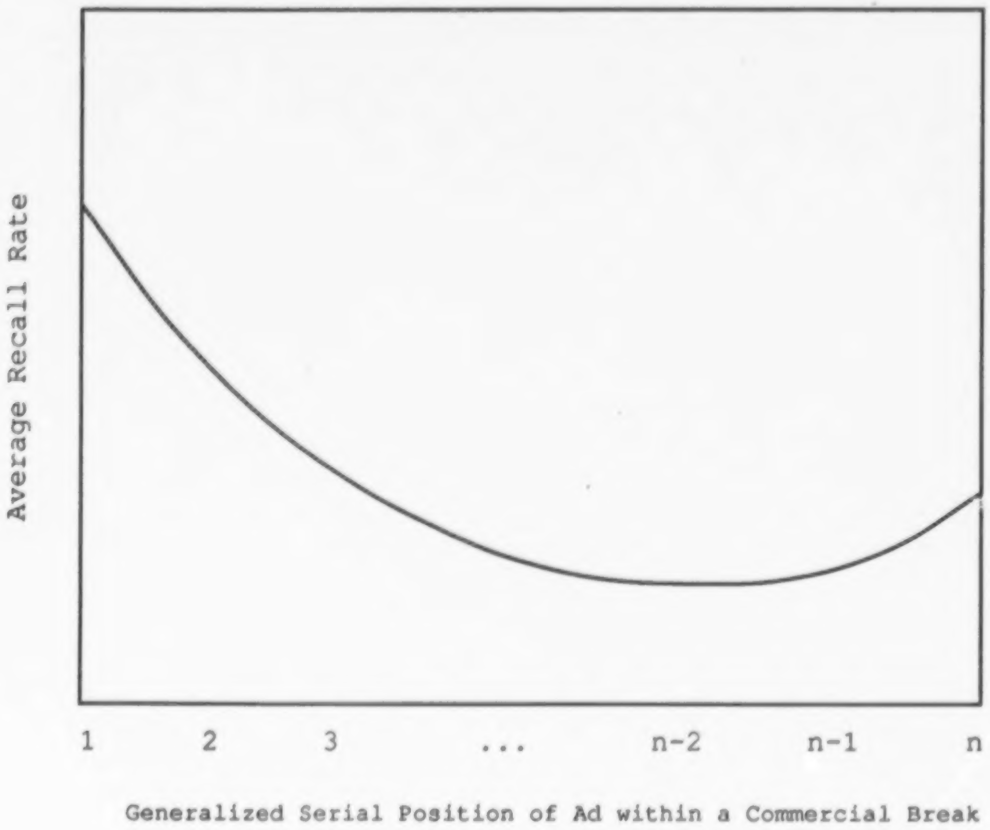
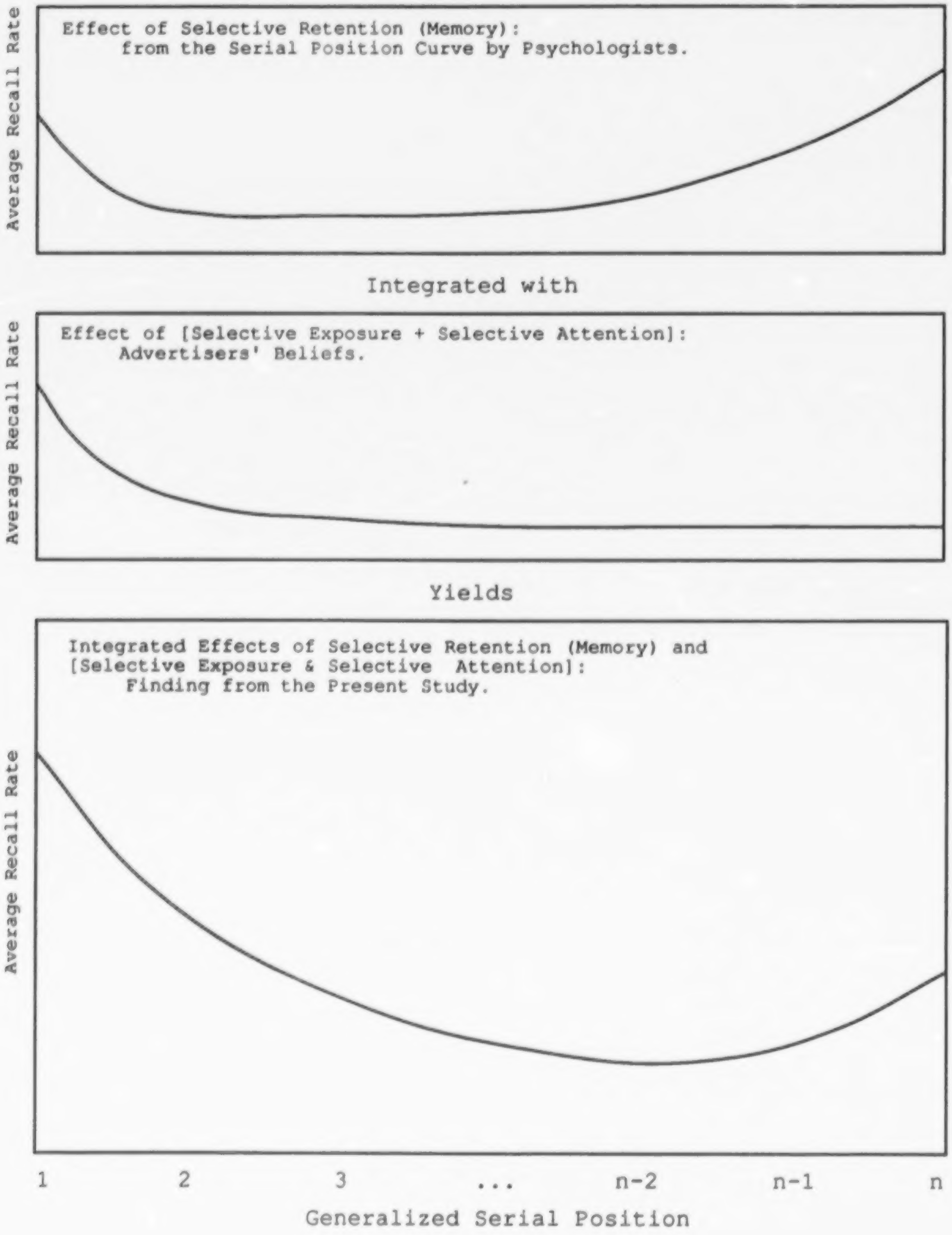


Figure 4
Theoretical Integration of Retention (Memory) Curve and [Exposure + Attention] Curve



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A NEW CONCEPTION OF DECEPTIVENESS

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ABSTRACT

This paper presents a proposal to expand the definition of advertising deceptiveness to include certain types of claims, opinions and nonproduct claims, that have not previously been called deceptive. The underlying premise is that while these claims are not false they are also not relied on by their makers, and therefore consumers should not be invited to rely on them. The goal is to provide that all claims are trustworthy in the sense that they may be relied upon.

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August 12, 1993

A NEW CONCEPTION OF DECEPTIVENESS

Introduction

This paper presents a proposal to expand the scope of advertising deceptiveness. The underlying basis is the proposition that advertising law fails to prohibit many claims that can cause unsatisfactory marketplace transactions.

Many of these unprohibited claims are here called deceptive, although they are not recognized by current law as such, and all of them are called unsatisfactorily informative for making purchasing decisions. When consumers consider relying on these claims for such decisions, one or both of two possible unfortunate results may occur.

One result is consumer trust and a consequent reliance that leads to purchasing decisions eventually found to be unsatisfactory. The other is consumer distrust and consequent refusal to rely, accompanied by an increasingly negative perception of advertisers' credibility.

Readers will likely interpret the remarks just made as falling into the familiar topic of consumer protection. However, the author feels that the harm done by advertisers to themselves through using such claims is an equally important aspect of the problem raised here.

The essence of a marketplace lies in the willingness of buyers and sellers to enter commercial transactions. Given that, the creation of interactions that produce eventual dissatisfactions, or the refraining from such interactions due to anticipated dissatisfactions, produces a detriment or loss of activity that is equally unfortunate for both types of parties.

Current advertising law prompts this paper's topic by defining as deceptive only claims conveyed explicitly or impliedly to consumers that are, or may be, factually false about the advertised product.[1] Claims found to be true, or at least not demonstrated to be actually or potentially false, are ruled not deceptive and are permitted.

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[1] Miller, Policy Statement on Deception, letter of Oct. 14, 1983, reprinted in

That does not, however, account for all possible claims. This paper focusses on a third type, which the law calls incapable of being found true or false.[2] The law allows advertisers to offer such claims to consumers as reasons favoring decisions to purchase. The argument of this paper is that such legal rulings may be wrong because such claims do not constitute appropriate reasons for purchase. Although they lack falsity, they also lack truth and therefore lack information. They imply falsely that they are usefully informative when they are not, and they may be otherwise deceptive as well.

These "incapable" claims consist of opinions and nonproduct facts. Opinions by definition cannot be true or false.[3] Nonproduct facts are capable of being true or false, but they do not refer to the product (or other advertised item) and thus cannot say anything true or false about it.

Nonproduct facts are about anything apart from the product. Today, they typically are about consumers: their personalities, life styles, social contexts, fears, anxieties, etc. A recent example is Vic Tanny's claim that "You don't just shape your body, you shape your life." The claim is about the newspaper ad's readers, who are Tanny's prospective customers, and while it may be true or false about such persons it is neither true nor false about Vic Tanny.

Because the use of nonproduct facts results from modern advertising techniques, they have little or no history in the law. They seem, however, to

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Cliffdale, 103 FTC Decisions 110, 174 (1984); Bailey and Pertschuk, Analysis of the Law of Deception, letter of Feb. 28, 1984, reprinted in 46 Antitrust and Trade Regulation Reporter, No. 1154 (1984); Preston, "The definition of deceptiveness in advertising and other commercial speech," 39 Catholic Univ. Law Review 1035, No. 4, (1990).

[2] Miller, ibid. Bailey & Pertschuk, ibid. I. Preston, The Great American Blow-Up: Puffery in Advertising and Selling, Univ. of Wisconsin Press (1975).

[3] Ibid.

be treated similarly to opinions. Opinions have a considerable tradition of legal treatment in the marketplace, centered on the ruling that consumers are expected not to rely on them.[4] The law has made the finding of fact that consumers do indeed act reasonably toward opinion statements. Thus, the regulators assume that consumers do not merely know that they should not rely on them, but they also in fact do not rely on them.[5]

The law has arrived at these conclusions by interpreting these claims primarily on the basis of their explicit content. What the claims imply, additionally, has escaped the law's notice. The regulators' conception of what constitutes deceptiveness is thus more narrow than it might reasonably be.

What follows, then, is a proposal for an expanded conception of deceptiveness. First, a proposed rule is stated, and the next section states why it has not previously existed. Another section explains why the rule is needed, and a following section shows how aspects of existing law may be used to support the proposal. Two final sections show how the rule would be carried out, and show some examples of the types of claims it would allow and disallow.

Proposal

The proposal is patterned after the current reasonable basis requirement of the Federal Trade Commission (FTC).[6] That requirement follows from the Commission's assumption that factual claims imply to consumers that their maker has a valid reason for believing them to be true.[7] When the advertiser lacks such a basis, the FTC calls the claim deceptive . The claim is not found false, but the Commission prohibits it because it might be false and therefore harmful to consumers inasmuch as the advertiser does not know otherwise.

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[4] Preston, note 2.

[5] Ibid.

[6] FTC Policy Statement Regarding Advertising Substantiation, 48 Federal Register 10471 (1983), reprinted in Thompson Medical, 104 FTC Decisions 648, 840 (1984).

[7] Ibid. See also Preston, "The Federal Trade Commission's Identification of Implications as Constituting Deceptive Advertising," 57 Cincinnati Law Review 1243 (§VIII. The Reasonable Basis Implication) (1989).

The reasonable basis requirement need not be implemented when the FTC is confident of finding factual claims to be false. Rather, it is applied when falsity is difficult to prove but the advertiser's inability to prove truth is relatively easy to show.

The proposal offered here is to expand that rule to require advertisers to have a reasonable basis for using their claims. That means not just believing their claims to be true, but using them, relying on them. The rule would assume that the advertiser implies to consumers that the advertiser, meaning its own people or any others who have similar knowledge, have a reasonable basis for relying on the claim for making their own purchasing decisions.

Regulators should properly assume that advertising conveys such a "reliance implication" simply from the fact that the advertiser uses the claim. A trustworthy seller surely will not ask consumers to rely on a claim that its own people would reject. The seller, rather, should be assumed to have a basis for believing that any party knowing what it knows or ought to know would trust the given claim---would believe in it and rely on it themselves.

For that reason the regulators could reasonably find that consumers see advertisers to have support not just for the truth of their claims, but also for their own willingness to use them. The idea that advertisers would make claims and then disavow them, refuse to rely on them, decline to use them as a basis for their own buying decisions, is a perception consumers will not have.

Obvious jokes and spoofs should be excepted, of course. They have been excused traditionally, and that would not change.[8] All claims made without evident false intent, however, would be covered. That includes not only factual claims, as covered by the current reasonable basis rule, but all other claims as well, which of course includes the opinions and nonproduct claims that are currently considered to be incapable of truth or falsity.

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[8] Preston & Richards, "A role for consumer belief in FTC and Lanham Act deceptive advertising cases," American Business Law J. (§III.C.), in press

The criterion for deceptiveness of the reliance requirement thus would not be the truth of the claim. It would instead be the truth of the seller's willingness to rely on the claim as a reason for buying.

The purpose of course is to hold advertisers responsible for honoring the trust that consumers place in them. To object to having such a rule, advertisers would have to argue that they have a right to make claims for which they have no basis for reliance. That is a right they currently enjoy, because at present their claims that are not found false are excused from deceptiveness even if their makers would in no way use them as a basis for purchasing. The advertisers thus invite consumers to base their purchasing on claims that the advertisers would not themselves use for that purpose.

The reliance rule would end that by defining such claims as deceptive and therefore as illegal to use. The essence of what is new in this rule is that a claim would be deceptive for misrepresenting the sellers' willingness to rely on it even in the absence of finding that the claim misrepresents the product.

Why The Law Has No Reliance Rule

The law traditionally has placed no importance on what sellers think about their claims. In fact, the regulators have been highly tolerant of sellers' insincere statements. That is because they assume such insincerity to misrepresent consumers' perceptions only of the seller itself and not of what the seller is selling.

The difference relates to whether claims that misrepresent the product are

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(1993). Preston, note 2, Ch. 13.

material. A claim is material when it affects the consumer's purchasing decision, and it must be material to be a violation.[9] A claim that the regulators find false but not material may be deceptive in the casual meaning of that term, but it is not legally deceptive and so cannot be prohibited.

The law presumes that sellers' misrepresentations of their own use of their claims are not material. Presumably a false implication that a seller would rely on its own claim does not affect a consumer's buying decision because it is not about the product. Thus it cannot affect response to the product, and so is immune from prosecution.

Although that might be considered a narrow technicality, the law also has a broader reason for ignoring sellers' implications of reliance. The law assumes traditionally that the consumer recognizes the seller to have an "adverse interest."[10] That means that participants in certain kinds of transactions are expected by law to understand that each will attempt to obtain the most favorable terms and that the efforts of each may thwart the efforts of the other.

Such understanding would not automatically be applied to, for example, a conversation between family members. It could sometimes apply for such persons, but it would not be considered typical. By contrast, the law assumes for negotiations between buyers and sellers that the adverse interest is easily predictable from the elementary knowledge that each should reasonably have about the other.

A party who recognizes, or should recognize, an adverse interest is obligated to respond appropriately. In the marketplace, the consumer must expect the seller to exaggerate its level of praise for the product or service beyond the factual basis that objectively exists for such claims. In contrast, a personal friend may praise a product, but, because the friend will make no personal gain if the consumer buys it, there presumably is no reason to expect such a speaker to exaggerate the factual basis. Given that, consumers may reasonably rely on the assessment.

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[9] Miller, note 1; Bailey & Pertschuk, note 1; Preston & Richards, "Proving and disproving materiality of deceptive advertising claims," 11 Journal of Public Policy & Marketing 45, No. 2 (1992).

[10] Restatement of the Law of Torts (Second), §539 (1965).

With sellers, however, they may not so rely. They may not, that is, for the types of claims discussed here, the opinions and nonproduct claims that are incapable of being found true or false. Consumers under current law may rely on sellers' statements of fact about the product, but not on sellers' other claims.

The factors just discussed work against the proposal offered in the previous section, since that proposal is based on the argument that consumers must be entitled to trust all sellers' claims. If the law requires consumers to distrust and assumes they do distrust, then it cannot have a rule that assumes they should be allowed to trust. Does this mean, then, that the proposal for a reliance rule is doomed to fail?

In what follows this paper argues that the proposal can succeed. The argument does not claim, however, that the law is wrong in recognizing the existence of adverse interest. The latter seems too well established to oppose. The position taken, rather, is that the law is wrong in allowing that concept to be so dominating a factor in determining the rules of the marketplace. Adverse interest is simply not the only interest that exists.

Why the Law Should Have a Reliance Rule

The need of consumers to rely on sellers is offered here as an additional factor that the law should take into account. While consumers see sellers as parties seeking deals on the best terms, which creates the adverse interest, they also see sellers as expert parties whom they must trust in order to make proper decisions. The latter creates a reliance interest.

The underlying fact is that consumers need to trust someone beyond themselves in order to make their buying decisions properly. That assumption, although traditionally denied by the law, seems obvious when one looks beyond the law to see what human beings in the marketplace actually do. How can we justify, for example, walking into a store manned by people we don't even know? If we buy from them, we are trusting them.

Trust is built into the market system; we have to trust or we simply can't deal. Whether or not it's what we should do according to the law, it's what we must do in order to participate. And, it's what we do do.

An enlightening way to think about trust is to observe separately our feelings and our actions. While distrust characterizes our feelings, our actions are more likely to reflect trust. Further, it is our actions that lead to the consequences, good or bad as they may be. Feelings we don't translate into action may produce mental satisfactions or dissatisfactions, but they do not result in purchases that we are glad or sorry we made. Feelings or attitudes simply don't create the problems addressed in this paper.

Advertisers may find it convenient to cite various opinion polls that have shown over the decades that consumers are skeptical,[11] which suggests they distrust claims and therefore need no legal protection. Such polls, however, reflect only consumers' feelings, not their actions. Legitimate evidence about trusting and distrusting can come only from examining what we actually do rather than merely what we think.

Let's put this discussion into the first person in order to examine consumer behavior at first hand. What do I, or you, actually do in checking a claim that, for example, a brand of automobile tires is "the best"? Perhaps my feelings would suggest distrust, but the problem I face is that I cannot accept or reject that claim simply by acting on my own. I can do it only through knowledge that I cannot obtain from examining just the tires.

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[11] For DDB Needham's Life Style Study, see Winski, "Who we are, how we live, what we think," Advertising Age, January 20, p. 16 (1992). For survey conducted by Opinion Research Corp., see "Ad credibility gap growing, study says," Milwaukee Sentinel, February 27, p. 4, Part 4 (1990). See also survey by Media Opinion Research, Minneapolis, for Amer. Society of Newspaper Editors (1985).

The law can say, as it does, that I am free to examine the tires myself.[12] In practice, however, that opportunity exists only in a superficial way. I am free to have the tires before me and to look at them. I can touch them, smell them, poke at them. I can put them on my car and drive them. I can drive other brands. I can do all those things, but when I am done I will not have examined those tires in the sense of determining whether they are the "best." I am not able and will never be able to do that by myself alone.

So let's correct that earlier statement---I am not free to examine the tires by myself. What I need to see is hidden inside them, such as the ingredient mix, or perhaps it can be seen only when the tires are in use rather than sitting in a showroom. Even then, what needs to be seen cannot be seen by me.

I do not know how to examine the tires; I cannot recognize what I'm looking at. To do so I would need a considerable amount of expertise, as well as extensive testing facilities, things I do not have and cannot reasonably have. It is nonsense to say I should go out and get that expertise and acquire that necessary equipment. Perhaps I am capable of being trained, in the sense that I have the ability to absorb the training if I received it. The time and expense involved, though, makes the idea utterly unreasonable for me, and surely for most consumers.

That's especially so when we realize that the effort would be required not just for automobile tires but for each of hundreds of products we regularly encounter in the marketplace. It's just not possible. So I am in a bind; I can't determine for myself what tire brand is the best, yet I'm expected by law to distrust the seller and refuse to rely on its assertion that its brand is the best. That is not a sensible set of propositions.

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[12] Preston, note 2, Ch. 7.

To whom does the law leave me to turn? There are typically two parties to a transaction, the seller and the buyer, but both are now eliminated as sources of aid. To the extent that the law is giving me any direction here, it seems to be forcing me toward reliance on some third party. Who might that be?

I just finished reading a Consumer Reports article on cellular phones[13]--- maybe a source like that can be a third party. Certainly it has expertise I don't have and does testing I can't do. It would seem to fill the bill. Newspapers and other mass media also give me consumer product information; in fact, there seems to be more information supplied than ever before. There are also government sources that can be accessed, although not necessarily very easily. I can go beyond myself to some extent.

Yet, while it's one thing to say there are third parties out there that I can rely on, it's a different matter to suggest that all of us must do that. However good they may be, such sources are not always convenient and are often incomplete. It's likely that we won't get information on a specific brand we're interested in, or at least not on the specific formulation or model of that brand.

Further, it's simply awkward to have to drag a third party into the buying and selling process. Surely it would be better if transactions could be accomplished solely by the two parties making them. Besides, isn't that what we actually do? We keep the transaction between ourselves and the seller, and because we can't rely entirely on ourselves we place some reliance on the seller.

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[13] "Phones to go," 58 Consumer Reports 9, January (1993).

All of this suggests that the proper interpretation of the old opinion rule is that I must be responsible for my own opinion, but not that I must make it alone. If I am to act on the basis of an opinion, I must rely on myself for my eventual decision as to what it is---that's fine. However, I should not have to restrict my search to nothing more than my own personal knowledge of the product. In addition to relying on my own resources to the extent I can, I should consider it normal and natural to go outside myself to get the help I need.

When I do go outside I should consider it normal and natural to get help from, and rely on, the seller. After all, the seller is the party that asks for my trust by offering items for sale and by playing the role of an expert concerning those items. Why should reliance on the seller be excluded?

The law needs to recognize that consumers cannot examine the advertised item themselves. They therefore need to trust others. The primary available others are the sellers, and consumers therefore do trust those sellers. When that happens, it definitely does matter whether the sellers misrepresent themselves. Their claims affect buying decisions and so are material.

The reliance requirement is thus aimed at advertisers whose own people disbelieve a claim, or have no basis for believing it, or for whatever other reason reject a claim and decline to rely on it. The law today calls such claims violations only if they also misrepresent the advertised item. Opinions and nonproduct claims are assumed not to do the latter because they are incapable of saying anything factual about the product.

The advertisers thereby escape on the assumption that such a claim thereby couldn't possibly be a reason for buying. Of course they are greatly incongruous in making that assertion after having earlier spent many months and dollars telling the public that it was a reason. The trick works, though. The advertisers are terrific at having their cake and eating it, too.

A beer company, for example, claims with immunity that its brand is "America's finest." Andeker once told the public so at great length in its ads. Meanwhile, it must have known it has no support for believing that, and may even have known it had support for disbelieving it.

The difference the reliance rule would make is that an advertiser would no longer escape simply by arguing that a claim means nothing in a factual sense. To say it means nothing factually would now amount to conceding that its creators have no basis for relying on it.

That would give an advertiser a two-way problem. If it insisted that the claim meant nothing, it would fail to show a basis for reliance. If it conceded that the claim meant something, it would have to have a basis for why its people would treat that something as a reason for buying. Either way, the advertiser would have to support the claim or give it up.

The basis for deceptiveness would be, as in existing law, either explicit or implied falsity or the absence of a reasonable basis for a claim's truth, where such factors applied. However, in the absence of such factors the basis for deceptiveness would now also be the absence of a reasonable basis for the advertiser's reliance.

Bases for a Reliance Requirement in Existing Law

There are aspects of the existing law that seem to justify a requirement that sellers be trustworthy. A famous statement of the U. S. Supreme Court said that "There is no duty resting upon a citizen to suspect the honesty of those with whom he transacts business."[14] If such a statement really means what it says, we should be able to trust all sellers' claims, not just some.

As an English judge put it much earlier, "A seller is unquestionably liable...if he fraudulently misrepresent the quality of the thing sold to be other than it is in some particulars, which the buyer has not equal means with himself of knowing; or if he do so, in such a manner as to induce the buyer to forbear making the inquiring which...he would otherwise have made."[15]

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[14] FTC vs. Standard Education Society, 302 U.S. 112, 58 S. C. 113 (1937).

A contemporary legal expression of that old English rule reads: "A statement of opinion as to facts not disclosed and not otherwise known to the recipient may, where it is reasonable to do so, be interpreted by him as an implied statement (a) that the facts known to the maker are not incompatible with his opinion; or (b) that he knows facts sufficient to justify him in forming it...."[16]

Admittedly, additional explanation says the interpretation may not be reasonable if the speaker has an "adverse interest," such as a seller seeking a profit. In that case, the rule says, the buyer must make some allowance for exaggeration. It adds, however, that the buyer may justifiably rely that the seller has "some basis of fact" and "knows of nothing which makes his opinion fantastic."[17]

The interpretation of the latter could be, and it is argued here that it should be, that any knowledge by the speaker of incompatible facts or lack of knowlege of justifying facts would make an opinion too fantastic, too exaggerated to require the buyer to accept. If so, that rule would help consumers. What the FTC and other contemporary regulators seem to be doing in practice, however, is to accept virtually all such knowledge or lack of knowledge by sellers as not unduly fantastic or exaggerated.

The regulators thus use the rule to excuse sellers of any responsibility

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[15] Vernon vs. Keys, 104 English Reports 246 (1810).

[16] Restatement of the Law of Torts (Second), §539 (1965).

[17] Ibid. (supplementary comment to §539).

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for their opinions. The rule seems superficially to allow for reliance on opinions, but it really does not.

The problem is that the regulators make the assumption seen earlier that consumers are able to examine advertised items themselves. By that, they must rely on no one but themselves, and so must disbelieve and refuse to rely on opinions expressed by sellers. The regulators assume therefore that consumers automatically distrust all such claims. If they are correct in that, then the sellers' incompatible knowledge or lack of justifying knowlege won't do any harm. Society consequently need not care whether such claims are false.

All of that, however, is argued here to be incorrect for reasons discussed above. Although we should rightfully be responsible for our opinions, we are not able to examine the goods by ourselves. We do not have "equal means of knowing" about advertised items just because they are in front of us, within our sight and touch. We are not able to make decisions by relying solely on our own personal resources.

If the way opinions work is really that we all make up our own minds, entirely devoid of outside influence, why do advertisers spend so much effort on plying us with outside opinions? When they do that, they reveal their own convictions that consumers really do rely on such claims.

The old notion that consumers treat opinions, and by analogy today also nonproduct claims, as meaningless is an idea whose time should never have come, and now should be gone. A better understanding of how consumers really respond would support a requirement that all sellers' claims must be trustworthy because all claims are either meaningful or else are falsely claimed to be relied upon.

Allowing consumers to rely on all outsiders except the seller denies us too much of what we need. It's like getting a doughnut that's almost all hole. The law creates too severe a gap when it tells us we must exclude the sellers from those we may trust. Who better than the maker of a claim should know whether there's a basis for relying on it? The consumer's right to trust can be meaningful only when it includes trusting that particular party, including all of its claims. The law should not exclude opinions and nonproduct claims, because they are often the only claims the advertisers give us.

Additional support for rethinking the treatment of such claims came recently from the Supreme Court.[18] The events were beyond the marketplace, but the principles seem applicable. A fight broke out during a high school wrestling match, injuring some wrestlers. Some observers felt that one of the coaches, Michael Milkovich, had provoked the fight, but he denied it when testifying in a hearing.

A newspaper columnist later wrote, "[A] lesson was learned...by the student body. ...It is simply this: If you get in a jam, lie your way out. ...Anyone who attended the meet...knows in his heart that Milkovich...lied at the hearing after...having given his solemn oath to tell the truth." Milkovich charged the paper with libel, damage to personal reputation by false representation.

The paper defended by calling the statement exempt under the First Amendment for having the form of an opinion. But Chief Justice Rehnquist's decision said such an exemption should not be automatic, because "[E]xpressions of 'opinion' may often imply an assertion of objective fact. ... Simply couching...statements in terms of opinion does not dispel these implications...."

The key, as Rehnquist said, lies in the implied facts. Opinions might imply no facts or imply only true ones, and thus be safe. But if they imply false and damaging facts, the speakers should be no more protected than if they stated the false facts explicitly.

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[18] Milkovich vs. Lorain Journal, 110 S. C. 2695 (1991).

Isn't that how the law should treat opinions in the marketplace as well! Under the libel law there is no contention that the public will just automatically know to disbelieve what the newspaper said about Milkovich. There is no assertion that each citizen will examine Milkovich's testimony independently, and will draw the proper conclusion on his or her own.

It's true that Milkovich was not an object exchanged for money in a commercial transaction. The marketplace also differs in other ways from the area of public speech in which newspapers operate. Observers might say, for example, that people must accept more of their own responsibility in assessing an advertised item than in assessing a wrestling coach. Presumably that's because we are not going to make so great a personal commitment toward Milkovich; we are not going to "buy" him.

Still, when we recognize the similarities of the two situations on the matters of inability to examine and the consequent need to trust, the differences don't seem so great. Milkovich was in charge of our young sons whom he may have exposed to danger. Doesn't society make a big commitment toward its members' welfare when it hires such a person!

Don't we then "buy" Milkovich in a vital social sense? Of course, and when we do, no one will tell us we can't get help from the newspaper in assessing him because we have to make up our minds while refusing to rely on such an outside source.

Additional indirect support for the right of consumers to rely comes from several "commercial speech cases" in which the Supreme Court described advertising and other commercial speech as having no less potential value to the public than noncommercial speech.[19] The Court interpreted the First

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[19] Bigelow vs. Virginia, 421 U. S. 809 (1975); Virginia State Board of Pharmacy vs. Virginia Citizens' Consumers Council, 425 U.S. 748, 96 S. C. 1817 (1976); Bates and Van O'Steen vs. Arizona, 433 U.S. 350, 97 S. C. 2691 (1977); Central Hudson Gas & Electric vs. Public Service Commission of New York, 447 U.S. 530

Amendment specifically to uphold the right of the public to receive messages that a commercial party wished to send.

It's only a small jump of logic to suggest that if the Supreme Court encourages our right to receive commercial messages, then it should also intend to encourage our right to trust them. Imagine the Justices declaring, "We've gone to great lengths to get you this information, folks, but of course you mustn't use it because you know you can't trust it."

In summary, the existing law seen here goes a long way toward supporting the idea of a right to rely on sellers. However contradictory a set of perceptions of the seller such an idea creates, it is nevertheless valid. Consumers do know of sellers' adverse interests, and do distrust them on that basis. Yet they also know of the sellers' expertise, and know it is impossible or at least burdensomely difficult to obtain that expertise elsewhere. That provides a basis for consumers to trust and rely on the sellers.

Are consumers drawn equally toward the two orientations, then---half distrusting because of the sellers' adverse interest, half trusting because of their own reliance interest? The answer should be, rather, that consumers treat the reliance interest as the determining factor. Remember, consumers' distrust occurs with their feelings, their attitudes. They base their actions, meanwhile, on trust. And of course it's their actions and not their attitudes that determine consumers' ultimate welfare.

In consumers' actions the reliance interest prevails over the adverse interest. For that reason, the law should treat the reliance interest as the more determining factor than the adverse interest. It should be consumers' trust rather than their distrust on which the law bases its approach to sellers' claims. That should not be greatly difficult for the law to recognize, because there already exist such legal ideas as the fiduciary

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(1980); Board of Trustees of SUNY vs. Fox, 109 S. C. 3028 (1989).

relationship that lawyers have with clients.[20]

The problem is not that a reliance interest doesn't exist in the law. It's only that the regulators do not yet recognize the way it works between sellers and consumers.

Proving Reliance or Nonreliance

To prove a violation under the reliance requirement, the regulators' burden would be to show that the advertiser had no reasonable basis for its own reliance on the claim. Alternatively, it could be that the advertiser had or should have had a reasonable basis for nonreliance.

The advertiser would defend by showing it had a reasonable basis for reliance, or by otherwise preventing the regulator from meeting its burden. The rule would mean, just as it does with the current reasonable basis requirement, that the burden of proof technically is on the regulator.[21]

Just as with the current reasonable basis rule, however, this new variation would place the burden on the advertiser in a practical sense even though not a strictly legal sense. That is because the advertiser's failure to show a reasonable basis would encourage the prosecution to conclude that it had none. Whether or not that is overly burdensome, that's how it's done under the current rules.

The claims for which the seller would need a basis would be those conveyed to consumers by the advertising.[22] Evidence that a claim was not conveyed would excuse the advertiser from making it and thus from having a basis for it.

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[20] "The recipient of a fraudulent misrepresentation which is one only as to the maker's opinion is not justified in relying upon it in a transaction with the maker unless the fact to which the opinion relates is material and the maker ... [among other factors] stands in a fiduciary or other similar relation of trust and confidence to the recipient...." Restatement of the Law of Torts (Second), §542 (1965).

[21] FTC Policy Statement, note 6.

[22] Note 1 and accompanying text.

What constitutes a reasonable basis for conveyed claims would depend on the total context of knowledge of the product category. It would be knowledge that a producer of a brand in that category has or ought reasonably to have. Included would be the advertiser's knowledge of reasons justifying its own people's reliance. Also important to include would be the justifiable absence of reasons that would indicate nonreliance.

Appropriate reasons would include knowledge of facts about the advertised item, of a sort that its seller either has or ought to have. To be objective, such information would have to be subject to confirmation by independent parties having the same expertise that the seller should have.

There could also be a subjective basis for reliance, which could exist even though an objective basis did not. It could happen, for example, if the given claim appeared perceptually or psychologically true to the consumer. That means it would be true at the time of purchase, and would remain so to the consumer's satisfaction after the purchase. If the satisfaction offered were thus the satisfaction supplied, subjective expectations would be borne out and the basis established. The confirming evidence would be that of consumers' perceptions.

It's always possible that consumers would become disillusioned after purchase by realizing that the satisfaction anticipated from seeing the advertising did not occur upon using the product. That could happen among other reasons because the objective facts that supported the expectations in consumers' minds were later found by the consumers not to be true. If that were so, the satisfaction offered would not be the satisfaction supplied, and consumer harm would occur.

For that reason, surveys could not obtain subjective perception information from consumers who know the brand only as presented in the advertising. Consumers who see the promotion but not the actual item might acquire subjective perceptions of it that seem valid at the time. However, later experience with the item could contradict those perceptions if they do not bear out the earlier expectations.

Consequently, the only acceptable basis that an advertiser could have for believing in, and relying on, consumers' subjective perceptions would be that consumers retain them after buying and experiencing the brand rather than after merely seeing the claims. (A possible alternative might be to obtain perceptions from consumers who experience the brand in a research situation that reasonably simulates actual purchase and usage.)

With such appropriate consumer survey information, advertisers could demonstrate a subjective basis for reliance as an alternative to an objective basis. They could show a basis for relying on their opinion and nonproduct claims if they could demonstrate that consumers obtained permanent, not just temporary, subjective satisfactions.

This author personally feels that consumers will often modify or eliminate their subjective satisfactions after they personally examine the advertised item. However, since there is no denying that consumers could maintain satisfactions, the law should arrange to recognize the possibility.

In summary, an advertiser must show a basis for its own reliance on its claims as a reason to buy. The basis may be objective information satisfactory to parties having the expertise the advertiser has or ought to have. It may also be subjective consumer perception survey data obtained in such a way as to reveal satisfactions lasting more than just temporarily. There would also have to be an absence of any basis for rejecting reliance.

As with the current reasonable basis rule, the advertising would not have to state the reliance basis. The advertiser would merely have to possess the basis so that regulators inquiring about it could confirm its existence.[23]

Examples of What The Reliance Requirement Would Allow And Disallow

The reliance rule would stop all, not just some, claims for which the advertiser has no basis. Although the rule is aimed at opinions and nonproduct claims, it would not prohibit all of them because some are not deceptive.

Nonproduct facts often suggest associations of the brand with matters of strong motivational significance to consumers. For a claim such as, "You don't just shape your body; you shape your life," the advertiser would probably find it easy to identify an objective basis for reliance for the first phrase. A health club offers tangible equipment and workouts that people may use to exercise and lose weight.

On the other hand, the advertiser could scarcely find an objective basis for the second phrase. Still, there might be a subjective basis. In this author's opinion the relationship between an exercise club and "shaping your life" is likely to seem less real, or not real at all, to most consumers after they experience the actual service. Nonetheless, should the subjective satisfactions remain strong for a significant number of users, the advertiser could create a basis from survey evidence of those subjective perceptions.

As to opinions, such claims are assumed here to imply to consumers that they have a factual supporting basis. Consequently, the advertiser would have to know of such facts to have a basis for its reliance. That poses different levels of challenge because there are different types of opinions.

Suppose a celebrity such as Madonna says she prefers a certain brand of drink, or likes it best, always chooses it, etc. There should be little trouble in finding a factual basis for that. The basis would be nothing more than her personal assertion. Or, suppose that Madonna, or just a voice or statement in the ad, says that "you'll" prefer the brand. Again the basis would be one individual's assertion---the individual consumer's own.

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[23] FTC Policy Statement, note 6.

On the other hand, suppose Madonna, or just a voice or statement in the ad, says the brand is the best. Finding a basis for that will be much harder. "Best" implies the best overall, over all aspects. By appearing in a mass medium addressed to millions of consumers, it implies that it means the best for consumers generally.

When a claim conveys in that way that it is true for parties beyond the advertiser and its endorsers, then the basis must necessarily consist of evidence about that wider group. The supporting evidence now must be that the persons to whom the ad attributes the opinion really hold it.

A factually objective basis might also be a consensus among experts in the given field, such as brewmasters judging beer. Such judgments may in some cases require only observation by the expert's eyes or ears, while in other cases it may require the use of instruments or controlled tests.

The requirement would vary by product category. For example, the basis for Bayer being "the world's best aspirin" would require the sophisticatedly controlled scientific testing that is necessary for learning facts about headache remedies.[24] Meanwhile, a claim to be the "best movie" would imply a subjective basis that would require a consumer preference survey.

Suppose an ad qualifies a claim of "best," such as by saying "best ingredients" or "best tasting." A basis for the first of those could probably only be objective. Consumers could comment on ingredients, but their opinions should rightfully be secondary to the opinions of experts. However, a basis for the taste claim would appropriately be subjective, because for taste the consumers themselves should rightfully decide.

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[24] Sterling Drug, 102 FTC Decisions 395 (1983).

Some opinion claims are so vague or fanciful as to be possibly meaningless. The FTC has considered, for example, the description of a car as the "sexiest European."[25] It decided the claim required no basis because it is nonfactual. It is meaningless. The reliance rule, however, proposes that the advertiser may not offer the defense of meaninglessness, because that would mean the speaker could have no basis for the claim. Such a claim would be improper because the advertiser cannot rely on it and consumers therefore cannot trust the advertiser's invitation to rely on it.

For any such opinion variations, neither the objective nor subjective basis is difficult to search for. The difficulty, rather, is that of having the search confirm that the basis exists for a particular brand. Obviously a basis can't exist for many brands, because only one can be superior by a given criterion. Too, we should expect that sellers who have a basis would choose to advertise it rather than run the opinion unaccompanied.

Summary

In summary, the reliance rule would eliminate many claims that existing law allows. It would also let continue any such claims for which the advertiser shows a basis for reliance. A nonproduct fact or opinion with a basis would now essentially be equivalent to the true and significant fact making up that basis. As a result, consumers would be able to trust a much greater proportion of advertisers' claims, and advertisers would be able to continue all claims that were trustworthy.

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[25] Bristol-Myers, 102 FTC Decisions 21, 321 (1982).

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The Role of Comparative Information in Political Advertising Evaluations and Candidate Evaluations

by

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Abstract

An experiment was conducted in order to test hypotheses concerning comparative political advertising evaluations and comparative political advertising effects. Subjects in the experiment were 207 undergraduate students at a large university in the Southwest. The results of the experiment indicate that moderate comparative advertising, limited comparative advertising, and noncomparative advertising are perceived as being significantly higher in information credibility than complete comparative advertising. Complete comparative advertising, however, has a significantly more negative impact on targeted candidate evaluations than limited comparative advertising, moderate comparative advertising, and noncomparative advertising.

The Role of Comparative Information in Political Advertising Evaluations and Candidate Evaluations

Recent electoral outcomes have contributed to significant changes in political campaigns. Both incumbents and challengers are likely to employ a mix of strategies, particularly in highly competitive contests (Pfau, Kenski, Nitz, and Sorenson, 1990). Increasingly, these campaign strategies include comparative advertising as a means of communicating negative information about a candidate's opponent to voters while avoiding the stigma attached to purely negative "attack" advertising (Salmore and Salmore, 1989). In fact, the results of a recent content analysis of the political advertising used in three national elections reveals that almost half of the advertising mentioned both candidates and 22% of the ads contained explicit candidate comparisons (Boiney and Paletz, 1991).

Unfortunately, the research literature concerning comparative political advertising is extremely limited. Merritt (1984) and Gronbeck (1985) were among the first social scientists to recognize the role of comparative advertising in political campaigns. Both identified comparative political advertising as one of the methods used by political candidates to communicate negative information to voters about an opponent.

Merritt (1984) suggests that comparative advertising is issued by one candidate in order to claim superiority over another candidate. This can be contrasted with the purpose of negative advertising which is to identify a competitor for purposes of imputing inferiority (Merritt, 1984). Gronbeck (1985) identifies three types of negative political advertising including: 1) implicative advertising containing an implication or innuendo regarding an opponent; 2) assaultive or attack advertising containing a direct, personal attack on an opponent; and, 3) comparative advertising containing an explicit comparison between candidates. Gronbeck suggests that comparative advertising focuses on both candidates, basing its effectiveness on the assumption that voters actively compare candidates when making voting decisions. Johnson-Cartee and Copeland (1991a, 1991b) identify two kinds of comparative political advertising. Direct comparative advertising features the sponsoring candidate in a point-by-point comparison with his or her opposition. Implied comparative advertising compares the candidates using implicit comparisons rather than direct comparisons.

One means of enhancing the research literature concerning comparative advertising effects is to employ a comprehensive operationalization of direct comparative advertising. This allows for a more complete examination of comparative advertising effects when employed in an experimental research setting.

With this in mind, the purpose of this paper is to contribute to a greater breadth of knowledge concerning comparative political advertising effects. This is accomplished through the utilization of a comprehensive array of direct comparative political advertising. This array includes advertising containing complete, moderate, and limited amounts of comparative information. In addition, advertising stimuli contain a manipulation of their perceived negativity. In this way, hypotheses concerning comparative political advertising effects are testable across differing levels of negativity.

Hypotheses

Advertising Evaluations

The use of negative advertising in political campaigns, and voters' disapproval and distrust of such advertising, is well documented. There is a large body of survey research, in particular, that indicates that voters dislike negative ads finding them unfair, uninformative, unethical and deceptive (Garramone, 1984; Johnson-Cartee and Copeland, 1989; Pinkleton and Garramone, 1992).

Hill (1989) examined subjects' attitudes toward political advertising (Aad) using positive, negative, and comparative advertising. The results of Hill's research indicated that subjects experienced a significantly more favorable global Aad and emotional Aad for comparative and negative advertising than for positive advertising. Contrasts between comparative and negative advertising were not significant for either global Aad or emotional Aad. These findings were not predicted. In explaining these outcomes, Hill (1989) suggested that subjects may have been maintaining a sort of cognitive consistency. The time of data collection, between the first and second Bush/Dukakis debates, occurred during the apex of the 1988 presidential campaign. Since the stimuli used for the experiment were based on the campaign, and the campaign was perceived as being extremely negative, it is reasonable to expect that subjects' perceptions of the advertising were influenced by their perceptions of the campaign.

The results of the Johnson-Cartee and Copeland (1991a) study previously mentioned, indicate that subjects did not significantly differ in their evaluation of direct attack, direct comparison, and implied comparison advertising in terms of political issue appeals. Significant differences did emerge, however, in terms of personal characteristic issue appeals. Here, direct attack and direct comparison ads were rated significantly lower on personal characteristic issue appeals than indirect comparison ads. Respondents rated the direct attack and direct comparison ads as being less fair, less tasteful, and less believable than the implied comparison and control ads.

In the present study, it is reasonable to expect that moderate and limited comparative advertising will be rated more fair and unbiased than noncomparative and complete comparative advertising due to the balance of material contained in the moderate and limited stimuli. The noncomparative advertisement will likely generate some perceptions of bias due to the one-sided nature of the stimuli. The negativity of the complete comparative advertisement, however, should generate the greatest perceptions of bias and unfairness among subjects, as hypothesized.

> H1: Moderate and limited comparative advertising will be perceived as more fair and unbiased than noncomparative advertising and complete comparative advertising.
>
> > H1a: Noncomparative advertising will be perceived as more fair and unbiased than complete comparative advertising.

Subject perceptions of the informativeness and usefulness of advertising stimuli are more difficult to predict. Survey research indicates that voters generally find negative political advertising to be uninformative, as previously mentioned (Pinkleton and Garramone, 1992). The results of experimental research conducted by Garramone, Atkin, Pinkleton, and Cole (1990) however, indicate that negative political advertising may be more informative than positive political advertising, helping to enhance voter image discrimination and facilitating voter decision making. In addition, Hill's (1989) finding that negative and comparative advertising were rated more highly on a cognitively based global Aad is of some use. This use is limited, however, due to the confounding variables already discussed.

An examination of existing product advertising literature provides some additional research findings concerning comparative advertising informativeness. The results of research conducted by Harmon, Razzouk, and Stern

(1983) concerning the information content of comparative magazine advertisements, indicate that comparative advertising contains more objective information cues than noncomparative advertising. In addition, respondents exposed to comparative print advertising rated the ads as being significantly more informative than did respondents exposed to noncomparative print advertising in research conducted by Earl and Pride (1980).

Taken together, these studies provide support, although somewhat sporadic, for the notion that comparative advertising stimuli will be viewed as being more informative than other advertising stimuli. This is most likely to be true for complete comparative advertising, since this stimulus contains the greatest amount of comparative material. In the same way, moderate and limited comparative advertising are likely to be viewed as being more informative than noncomparative advertising, as hypothesized.

H2: Complete comparative advertising will be perceived as more informative and useful than moderate comparative advertising, limited comparative advertising, and noncomparative advertising.

H2a: Moderate comparative advertising and limited comparative advertising will be perceived as more informative and useful than noncomparative advertising.

Candidate Evaluations

A variety of research exists concerning the impact of negative information, negative political advertising, and comparative political advertising on candidate evaluations. Voters have rated candidates as being less qualified, less honest, less serious, less sincere, less successful, and less of a saver, after exposure to negative political advertising (Kaid and Boydston, 1987).

The results of research by Shapiro and Rieger (1989) indicate that the relative impact of negative issue advertising is such that evaluations of the target of the advertising worsen in greater proportion than the evaluations of the sponsor of the advertising. Research findings concerning negative image advertising, however, indicate that subjects evaluate the sponsor no better than they evaluate the target (Shapiro and Rieger, 1989).

In research conducted by Johnson-Cartee and Copeland (1991a), direct comparative advertising produced the greatest significant negative change in a targeted candidate's pretest to posttest evaluation means. Interestingly, both direct attack advertising and implied comparative advertising also significantly lowered the targeted candidate's mean evaluation scores.

Finally, mention should be made of the negative information effects literature. The results of research concerning the role of negative information in individual impression formation, person perception, and various other information processing tasks, indicates that negative information tends to be weighted more heavily than positive information when forming evaluations of social stimuli (Anderson, 1965; Hodges, 1974; Jordon, 1965; Kellermann, 1989). Research by Lau (1982, 1985) has provided evidence supportive of this effect in political perception.

Based on the above research findings, it is reasonable to expect that complete comparative advertising will produce the greatest negative change in evaluations of the targeted candidate, due to its negative information content. It is also reasonable to expect that moderate and limited comparative advertising will produce negative change in evaluations of the targeted candidate to a lessor extent, as hypothesized.

> H3: Complete comparative advertising will produce greater negative change in evaluations of the targeted candidate than moderate, limited, and noncomparative advertising.
>
> > H3a: Moderate and limited comparative advertising will produce greater negative change in evaluations of the targeted candidate than noncomparative advertising.

Method

Subjects and Design

An experiment was conducted in order to test hypotheses. Subjects in the experiment were undergraduate students at a large university in the Southwest. Subjects were primarily juniors and sophomores majoring in communications related fields including public relations, advertising, telecommunications, and journalism. A smaller number of subjects were in business related majors including marketing, accounting, management, and management information systems. All subjects participating in the study were enrolled in sophomore- or junior-level mass communications courses and received extra course credit for participating in the study.

Subjects were randomly assigned to one of four treatment conditions or the control group in a 1 x 5 pretest-posttest design. The subjects in each condition were exposed to different stimuli concerning fictional candidates for a state Senate seat in Idaho. The campaign was presented as an election occurring outside of subjects' home states in order to make the hypothetical election appear realistic. A total of 207 instruments were included in data analysis. No treatment condition contained less than 40 subjects and cell sizes were approximately equal.

Procedures

At the beginning of the experiment, subjects read and signed the consent form which made up the first page of the instrument. After signing the consent form, subjects were instructed to turn to the candidate profiles on the following page and to read them. Next, subjects completed a series of pretest scales. Subjects were then exposed to advertising stimuli. Following this exposure, subjects were instructed to turn the page and write the thoughts they had concerning each of the candidates. After four minutes elapsed, subjects were re-exposed to advertising stimuli. Finally, subjects completed the posttest scales. These scales were identical to the pretest scales, with the exception of items related to advertising evaluations. Subjects were debriefed after the instruments were collected.

Stimuli

Biographic profiles. Biographic profiles of approximately 160 words were created for each of the candidates. The profiles were developed specifically for use in the experiment and were based on similar biographies used in other studies examining political advertising. A pretest indicated that the information contained in each profile was approximately equivalent. Each profile contained general information concerning the candidate's age, education, employment background, and volunteer work. The profiles also contained limited discussions of the candidate's political accomplishments.

Advertisements. Four print advertisements were created for the experiment. Each advertisement utilized a similar execution of a different creative strategy. The initial conceptualization of the stimuli was based upon real-world examples of comparative political advertising. Since the political campaign and candidates being used were hypothetical, candidate issue positions were pretested in order to identify those positions that were both important and plausible for a political candidate to possess. The final information contained in the stimuli was selected on the basis of its universal appeal as being a desirable candidate issue position or quality.

Each of the stimuli contained the following headline: "Check Out 'Candidate A' for 3rd District Senator." The issue positions included in support of Candidate A were: Is a staunch advocate of increased funding for higher education; understands the needs and concerns of local residents; strongly opposes the proposed 4 cent sales tax increase; has consistently voted to prevent the clear-cutting of national forests; has voluntarily agreed to release his income tax records; and, has an unquestioned record of honesty in public office.

Each stimulus contained different amounts of comparative material concerning the targeted candidate. The complete comparative advertisement contained the most comparative material and was intended to be the most negative of the stimuli. In this stimulus, the six statements were presented in support of the sponsoring candidate. In addition, six statements containing opposite issue positions were presented to the detriment of the targeted candidate.

The moderate comparative stimulus contained a moderate amount of comparative material. The moderate advertisement was intended to be less negative than the complete stimulus but more negative than the remaining stimuli. As before, six statements were presented in support of the sponsoring candidate. In this stimulus, however, four statements containing opposite issue positions were presented to the detriment of the targeted candidate. The remaining two statements concerning the targeted candidate were in agreement with the positions of the sponsoring candidate.

The limited comparative stimulus contained a limited amount of comparative material. The limited advertisement was intended to be less negative than the complete and moderate stimuli but more negative than the noncomparative stimulus. Again, six statements were presented in support of the sponsoring candidate. In this stimulus, however, two statements containing opposite issue positions were presented to the detriment of the targeted candidate. The remaining four statements concerning the targeted candidate were in agreement with the positions of the sponsoring candidate.

The noncomparative stimulus was not intended to be negative and contained no comparative material. All of the six statements contained in the noncomparative stimulus were supportive of the sponsoring candidate. The targeted candidate was not mentioned.

Control essay. A neutral essay was used in the control condition. The essay was created using encyclopedic information concerning the state of Idaho. The essay was approximately one double-spaced page in length and required approximately one minute to read. The majority of information contained in the essay concerned the geographic properties of Idaho.

Dependent Variable Measurement

Advertising evaluations. Multi-item composite scales were used to measure evaluations of advertising stimuli. Subjects evaluated each advertisement using seven-point scales with bipolar adjectives as anchors. Advertisements were evaluated on six attributes considered important to both political advertising and comparative product advertising success. These attributes include believable, unbiased, informative, interesting, fair, and useful. Advertising evaluation scores were submitted to a principal components factor analysis. Criteria for factor retention were a minimum eigenvalue of 1.0 and a minimum variance accounted for of 10%. Two factors emerged.

Factor 1 reflects an information utility dimension. This factor emerged with an eigenvalue of 2.65 explaining 44.2% of the variance. Items that loaded high on this factor included informative, interesting, useful and believable. Factor 2 reflects an information credibility dimension. This factor emerged with an eigenvalue of 1.51 explaining 25.2% of the variance. Items that loaded high on this factor included fair unbiased and believable.

Based on factor loadings, the final subscales used to evaluate the advertising stimuli were the information utility subscale consisting of informative, interesting, useful, and believable (alpha = .75); and the information credibility subscale consisting of fair, unbiased, and believable (alpha = .73).

Candidate evaluations. Both the sponsor and target of experimental stimuli were rated on a series of seven attributes. These attributes were selected on the basis of their usefulness in previous studies investigating the impact of political advertising on candidate evaluations. Each characteristic was evaluated using a seven-point scale with bipolar adjectives as anchors. The candidate characteristics evaluated were: Intelligent, sincere, believable, honest, persuasive, concerned, qualified, good, and ethical. The alpha reliabilities for the sponsor rating scales were .81 for the pretest measure and .90 for the posttest measure. The alpha reliabilities for the target rating scales were .83 for the pretest measure and .87 for the posttest measure.

Results

Manipulation Check

A manipulation check was used to test subjects' perceptions of the negativity of each advertising stimulus. A seven-point scale was utilized with one indicating not at all negative and seven indicating very negative. Subjects in the control condition also rated the "negativity" of the neutral essay to which they were exposed.

A oneway ANOVA was used to examine subjects' perceptions of the negativity of experimental stimuli. The results of analysis of variance indicated that there were statistically significant differences in subjects' perceptions of the negativity of the stimuli and essay (F $(4, 202) = 71.38$, $p < .001$).

A Scheffe's multiple comparison test was used in order to examine specific differences in the negative perceptions of experimental stimuli. The Scheffe method provides a conservative measure of protection against Type I error for the pairwise comparison of means (Keppel, 1973). An examination of means reveals a linear effect with respect to negative perceptions of experimental stimuli, as indicated in Table 1.

Table 1 about here

Hypotheses One and One(a): Information Credibility

Hypotheses 1 and 1a were examined by specifying nonorthogonal polynomial contrasts to be tested following the application of an omnibus F test for the combined means of fair, unbiased, and believable. These form the information credibility subscale. The results of analysis of variance suggest the existence of statistically significant mean differences among treatment conditions (F (3, 159) = 10.10, p <.001), as indicated in Table 2.

Tables 2 and 3 about here

An examination of means using contrast analysis indicates that significant differences exist for specified contrasts, as exhibited in Table 3. Contrasts 2, 3, and 5 indicate the existence of statistically significant mean differences in the directions predicted. In the instance of these contrasts, moderate, limited, and noncomparative advertising, are perceived as being significantly higher in information credibility than complete comparative advertising. While contrasts 1 and 4 in Table 7 appear to possess extremely low levels of statistical probability, these alphas are due to contrast values in the opposite directions of those predicted. Based on these results, hypothesis 1 enjoys partial support and hypothesis 1a enjoys full support.

While some linear relationships emerge as predicted, the overall linearity suggested in hypotheses 1 and 1a appears to be violated by noncomparative advertising. These findings suggest the need for post hoc analysis. Of particular interest in this instance, are the contrasts between noncomparative and moderate comparative advertising, and the contrast between limited comparative and moderate comparative advertising

In order to conduct post hoc analysis, a Scheffe's multiple comparison test was used to provide a conservative pairwise examination of contrasts (see Keppel, 1973).

Table 4 about here

The results of the Scheffe's test indicate that noncomparative advertising is perceived as being significantly higher in information credibility than both complete comparative advertising and limited comparative advertising.

When combined with the analysis of contrasts specified for hypotheses 1 and 1a, these findings indicate that moderate comparative advertising, limited comparative advertising, and noncomparative advertising are all perceived as being significantly higher in information credibility than complete comparative advertising.

Hypotheses Two and Two(a): Information Utility

Hypotheses 2 and 2a were tested by specifying nonorthogonal polynomial contrasts to be tested following the application of an omnibus F test for the combined means of informative, interesting, useful, and believable. These form the information utility subscale. The results of analysis of variance suggest the existence of statistically significant mean differences among treatment conditions ($F(3, 159) = 3.24$, $p = .02$), as indicated in Table 5.

Tables 5 and 6 about here

An examination of specified contrasts indicates that a significant mean difference exists for contrast 1, as exhibited in Table 6. Here, complete comparative advertising is perceived as containing significantly more information utility than limited comparative advertising. While contrast 4 exhibits the directionality predicted, it possess a very low level of statistical probability. Contrasts 2, 3, and 5 also possess extremely low levels of statistical probability, due to contrast values in the opposite directions of those predicted.

The results of contrast analysis indicate weak support for hypothesis 2 and no support for hypothesis 2a. In the instance of contrast 1, complete comparative advertising contains significantly more perceived information utility than limited comparative advertising. The remaining contrasts are either in a direction opposite of that predicted, or simply do not enjoy a significant level of statistical support.

As before, post hoc analysis may provide additional information concerning the independent and dependent variable relationships addressed by hypotheses 2 and 2a. In order to conduct post hoc analysis, a Scheffe's multiple comparison test was used to provide a conservative pairwise examination of contrasts. The results of the Scheffe's test indicate that no mean differences exist that are statistically significant at the .05 level of reliability, as exhibited in Table 7.

Table 7 about here

It is worth noting that a less conservative test of pairwise mean comparisons would likely reveal significant mean differences. Given the extremely conservative nature of Scheffe's test, however, no mean differences exhibited statistical significance. This post hoc analysis contributes no additional information to the contrasts of means already conducted. Hypothesis 2 possesses little statistical support and hypothesis 2a possesses no statistical support.

Hypotheses Three and Three(a): Candidate Evaluations

In order to assess change in evaluations of the targeted candidate, evaluation scales were summed and the pretest mean was subtracted from the posttest mean to create change scores. The differences between treatment change scores were tested first using an omnibus F test. The results of analysis of variance indicate the existence of statistically significant mean differences among treatment conditions (F (3, 157) = 5.79, p <.001), as exhibited in Table 8.

Tables 8 and 9 about here

Following the ANOVA, hypotheses 3 and 3a were tested by specifying nonorthogonal polynomial contrasts. An examination of change score contrasts indicates that significant differences exist, as presented in Table 9. Contrasts 1, 2, and 4 enjoy a high level of statistical significance indicating that complete comparative advertising has a significantly more negative impact on targeted candidate evaluations than limited comparative advertising, moderate comparative advertising, and noncomparative advertising. Contrasts 3 and 5 are not statistically significant. While the direction and pattern of change scores indicate support for the linear relationship predicted by hypothesis 3a, the mean differences are not significant.

In this instance, hypothesis 3 enjoys full statistical support while hypothesis 3a enjoys no statistical support. As predicted, complete comparative advertising encourages greater negative change in targeted candidate evaluations than moderate, limited, and noncomparative advertising. Moderate and limited comparative advertising, however, are not significantly different from noncomparative advertising in their impact on targeted candidate evaluations.

As an additional note, post hoc analysis is unnecessary. The Scheffe's method will not uncover any additional mean differences that will be statistically significant since this test provides a more conservative level of protection against Type I error than the contrast analysis already used (Keppel, 1973, Snedecor and Cochran, 1967). In addition, all contrast differences are in the directions predicted so no differences are statistically significant in directions opposite of those predicted.

Discussion

The present study sought to contribute to a greater breadth of knowledge concerning comparative political advertising effects through the utilization of a comprehensive array of direct comparative political advertising. The results of the study indicate that noncomparative advertising, limited comparative advertising, and moderate comparative advertising possess significantly more information credibility than complete comparative advertising. In addition, noncomparative advertising possesses significantly more information credibility than limited comparative advertising.

These results are generally consistent with the results of a variety of research indicating that voters dislike negative political advertising, finding it uninformative, unethical, uninteresting, and deceptive (Garramone, 1984; Johnson-Cartee and Copeland, 1989; Pinkleton and Garramone, 1992). These findings are of particular interest in view of the increased use of comparative political advertising by candidates attempting to avoid the negative stigma attached to attack advertising.

In this instance, the negativity of complete comparative advertising significantly lowers its information credibility, despite its comparative format. Moderate comparative advertising does not suffer the same loses of information credibility, however, despite the fact that it is only slightly less negative. These findings suggest that voters are likely to recognize and distrust the most negative kinds of political advertising, regardless of their form. At the same time, findings concerning moderate comparative advertising indicate that political advertising can be negative and still enjoy an acceptable degree of information credibility.

Research findings also indicate that complete comparative advertising possesses significantly more information utility than limited comparative advertising. This finding is broadly consistent with other research findings indicating that comparative advertising is generally more informative than other types of advertising (Earl and Pride, 1980; Harmon, Razzouk, and Stern, 1983, Johnson-Cartee and Copeland, 1991a). In the present study, the stimulus with the most comparative information enjoyed significantly more information utility than a stimulus possessing much less comparative information.

Finally, the study's results indicate that complete comparative advertising has a significantly more negative impact on targeted candidate evaluations than moderate comparative advertising, limited comparative advertising, and noncomparative advertising. These findings are in keeping with the results of research concerning negative information effects and negative political advertising effects. As previously discussed, research concerning the impact of negative information on person perception indicates that negative information is weighted more heavily than positive information when forming evaluations of social stimuli (Anderson, 1965; Hodges, 1974; Jordon, 1965; Kellermann, 1989). The results of research examining the impact of political advertising also indicate that subject evaluations of targeted candidates often fall as a result of exposure to negative political advertising (Johnson-Cartee and Copeland, 1991a; Kaid and Boydston, 1987; Shapiro and Rieger, 1989).

The fact that complete comparative advertising significantly lowers targeted candidate evaluations indicates that the impact of negative comparative advertising is similar to the impact of other types of negative political advertising. This result is particularly interesting given the findings concerning the information credibility of complete comparative advertising. Based on these results, it appears as if complete comparative advertising effectively reduces support of the targeted candidate, despite the fact that it is significantly lower in information credibility than other types of comparative and noncomparative advertising.

Although not directly supported by this research evidence, it is reasonable to expect that there is an optimal tradeoff between the credibility and negativity of political advertising. In this instance, negative advertising will enjoy an acceptable degree of credibility and still reduce support of a targeted candidate.

It is necessary to consider the limitations of this study when drawing implications from the results and considering a course of future research. Initially, it should be noted that a laboratory setting is generally a poor setting in which to conduct political advertising research. While this environment contributes greatly to internal validity, it is a hindrance to external validity. The use of a convenience sample of college students also hinders the external validity of this study's findings. While the sample is made up of subjects of voting age, participants are skewed in terms of both age and education. Finally, while the direction of several scale items was reversed to control for response bias, it is possible that such bias still made its way into subject ratings.

Future research examining comparative political advertising effects should attempt to provide a greater depth of understanding concerning the findings disclosed in this study. Study replication should include the use of a randomly selected sample of registered voters, natural media exposure environments and normal media exposure patterns. In addition, broadcast media should be used to provide additional information concerning the role of communication modality in comparative political advertising effects.

Finally, research efforts should be made that separate the influences of comparative information from the influences of negative information in political advertising. In this instance, a 2 x 2 factorial design employing comparative and noncomparative advertising, and positive and negative advertising, would be useful in separating the influences of comparative information from the influences of negative information in political advertising.

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Table 1

Mean ratings of experimental stimuli negativity

Condition	Mean	Standard Deviation
noncomparative	1.57	.887
control	1.67	.919
limited comparative	3.88*	1.31
moderate comparative	4.02*	1.49
complete comparative	5.32**	1.47

*
Significantly different from noncomparative advertising and the control at the .05 level.

**
Significantly different from all other experimental stimuli and the control at the .05 level.

Table 2

ANOVA for information credibility

Source	DF	SS	MS	F	p
between groups	3	388.75	129.58	10.10	<.001
within groups	159	2039.56	12.82		
total	162	2428.31			

Table 3

Contrasts for information credibility

Contrast	Value	SE	t	DF	p
contrast 1 (mod w/ non)	-2.42	.79	-3.06	159	.99
contrast 2 (mod w/ comp)	1.90	.80	2.37	159	.009
contrast 3 (non w/ comp)	4.32	.79	5.46	159	<.001
contrast 4 (lim w/ non)	-2.56	.78	-3.25	159	.99
contrast 5 (lim w/ comp)	1.76	.79	2.21	159	.014

Table 4

Mean ratings of information credibility

Condition	mean
complete comparative	9.77*
limited comparative	11.54*
moderate comparative	11.67*
noncomparative	14.09**
control	15.97

*
Significantly different from the control at the .05 level.

**
Significantly different from complete and limited comparative advertising at the .05 level.

Table 5

ANOVA for information utility

Source	DF	SS	MS	F	p
between groups	3	214.64	71.55	3.24	.02
within groups	159	3514.26	22.10		
total	162	3728.90			

Table 6

Contrasts for information utility

Contrast	Value	SE	t	DF	P
contrast 1 (comp w/ lim)	2.11	1.04	2.02	159	.02
contrast 2 (comp w/ non)	-1.04	1.04	-1.00	159	.84
contrast 3 (lim w/ non)	-3.15	1.03	-3.06	159	.99
contrast 4 (comp w/ mod)	.52	1.05	.41	159	.30
contrast 5 (mod w/ non)	-1.57	1.03	-1.51	159	.93

Table 7

Mean ratings of information Utility

Condition	mean
limited comparative	17.49
moderate comparative	19.08
complete comparative	19.60
control	20.51
noncomparative	20.64

Table 8

ANOVA for targeted candidate evaluations

Source	DF	SS	MS	F	p
between groups	3	946.49	315.50	5.79	<.001
within groups	157	8554.26	54.48		
total	160	9500.76			

Table 9

Contrasts for targeted candidate evaluations

Contrasts	Value	SE	t	DF	p
contrast 1 (comp w/ lim)	-5.65	1.64	-3.44	157	<.001
contrast 2 (comp w/ non)	-6.25	1.65	-3.78	157	<.001
contrast 3 (lim w/ non)	-.60	1.62	-.37	157	.356
contrast 4 (comp w/ mod)	-4.00	1.67	-2.39	157	.009
contrast 5 (mod w/ non)	-2.25	1.65	-1.36	157	.087

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Abstract

"California's Anti-Smoking Media Campaign: The History and Effectiveness of an Advertising War on the Tobacco Industry"

Presented to the Advertising Division, Association for Education in Journalism and Mass Communication, national convention, Kansas City, Aug. 14, 1993

In 1988 California voters approved Proposition 99, which raised the tobacco tax by 25 cents per pack of cigarettes. Prop 99 required the state to spend the new tax revenues on certain tobacco-related programs, including anti-smoking education. A key component of the educational efforts in 1990-91 was a multimillion-dollar campaign of print and broadcast advertising aimed at tobacco use and the tobacco companies themselves. California's anti-tobacco ad campaign is by far the largest by a state agency in the United States.

Studies of the first phase of the anti-smoking campaign indicate that the advertisements helped reduce the prevalence of smoking among California adults. Nevertheless, in January 1992 Gov. Pete Wilson terminated the campaign, contending that funding from anti-tobacco programs had to be diverted to pay for medical services for the poor. The American Lung Association successfully sued the state to obtain release of money for the ad campaign. Phase two of the anti-smoking campaign began in February 1993.

This paper examines the development of the anti-smoking media campaign, approved over the fierce opposition of the tobacco lobby; the legal battle over the governor's order to stop the campaign; and the evidence of the effectiveness of the campaign.

California's Anti-Smoking Media Campaign: The History and Effectiveness of an Advertising War on the Tobacco Industry

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Presented to the Advertising Division, Association for Education in Journalism and Mass Communication, national convention, Kansas City, Aug. 14, 1993.

Cigarette smoking is the leading preventable cause of death in the United States, according to the U.S. Surgeon General.[1] The U.S. Centers for Disease Control estimates that smoking causes 434,000 deaths per year and costs the country billions of dollars anually for medical care and lost productivity.[2] In the 27 years since the Surgeon General's first report on the dangers of smoking, there have been dramatic changes in the patterns of tobacco use and public attitudes. Recent research indicates that more than 90 percent of Americans agree that cigarette smoking is harmful to their health.[3]

Concurrent with the accumulation of compelling evidence of the health risks from tobacco use, tobacco continues to be one of the more heavily advertised and promoted consumer products in the United States. The tobacco industry spends more than $1 billion per year on advertising (newspaper, magazine, outdoor, transit and point of sale) and $2 billion on promotion (promotional allowances, free-sample distribution, public entertainment and other) to bring the message to consumers that cigarette smokers are happy, attractive, glamorous and daring.[4] Critics claim that these advertisements play on the individual's need for acceptance and excitement and are particularly influential in the recruitment of children and teenagers to smoking.[5] Tobacco advertising also targets women, African Americans and Latinos. Tobacco use in each of these groups was much lower than that of white males during the first half of the twentieth century, and the disproportionate uptake of cigarette smoking by each of these groups during the latter half of the century may reflect the influence of specific targeting by tobacco advertising.[6] Smoking-related illnesses now account for 55 percent of all minority deaths.[7]

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[1] Alix M. Freedman and Laurie P. Cohen, "How Tobacco Firms Keep Health Questions 'Open' Year after Year," *Sacramento Bee*, Feb. 28, 1993, Forum p. 1.

[2] Ibid.

[3] Centers for Disease Control, *Reducing the Health Consequences of Smoking: 25 years of Progress*. (Atlanta: U.S. Department of Health and Human Services, 1989). Publication DHHS (CDC) 89-8411.

[4] Michael L. Ile and Laura A. Kroll, "Tobacco Advertising and the First Amendment," *Journal of the American Medical Association* Vol. 264, No. 12 (Sept. 26, 1990), p. 1593.

[5] Joe B. Tye, Kenneth E. Warner and Stanton A Glantz, "Tobacco Advertising and Consumption: Evidence of a Causal Relationship," *Journal of Public Health Policy*, Vol. 8, No. 4 (Winter 1987); John P. Pierce, Elizabeth Gilpin, David M. Burns, Elizabeth Whalen, Bradley Rosbrook, Donald Shopland and Michael Johnson, "Does Tobacco Advertising Target Young People to Start Smoking? Evidence from California," *Journal of the American Medical Association*, Vol. 266, No. 22 (Dec. 11, 1991); Joseph DiFranza, John W. Richards Jr., Paul M. Paulman, Nancy Wolf-Gillespie, Christopher Fletcher, Robert Jaffe and David Murray, "RJR Nabisco's Cartoon Camel Promotes Camel Cigarettes to Children," *Journal of the American Medical Association*, Vol. 266, No. 22 (Dec. 11, 1991).

Americans' consumption of tobacco and attitudes toward smoking have been affected by widespread efforts to educate both individual smokers and the public at large about the adverse effects of tobacco use.[8] Yet state agencies as a group have only recently become involved in anti-tobacco efforts.[9] Public funding for large-scale tobacco control efforts has been scarce, with most of the available funds for health education and risk reduction being supplied from dwindling federal sources. All states impose excise taxes on cigarettes; however, only a few states (e.g., Michigan, Minnesota and California) earmark these revenues for health education against tobacco use.[10]

In 1988 California voters passed Proposition 99, which mandated an increase of 25 cents per pack in the state excise tax on cigarettes, effective Jan. 1, 1989. Part of the proceeds were to be spent on reducing tobacco usage in the state. Assembly Bill 75, the enabling legislation for the proposition, allocated $294 million to be spent on anti-tobacco, health-related activities by the end of 1991.[11] The California anti-smoking campaign reflects a comprehensive tobacco control

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6 David Burns and John P. Pierce, *Tobacco Use in California 1990-91*. (Sacramento: California Department of Health Services 1992), p. 144.

7 Clifford G. Christians, Kim B. Rotzoll and Mark Fackler, *Media Ethics: Cases and Moral Reasoning*, 3d ed. (New York: Longman, 1991), p. 190.

8 T. J. Glynn, "Essential Elements of School-Based Smoking Prevention Programs," *Journal of School of Health* Vol. 59 (1989), 181-188; T. J. Glenn, G. M. Boyd and J. C. Gruman, "Essential Elements of Self-Help/Minimal Intervention Strategies for Smoking Cessation," *Health Education Quarterly*, Vol. 17 (1990), 329-345; T. J. Glenn and M. Manley, *How to Help Your Patients Stop Smoking; A National Cancer Institute Manual for Physicians* (Washington, D.C.: U.S. Department of Health and Human Services, 1989), Publication NIH 89-3046); J. L.Schwartz,*Review and Evaluation of Smoking Cessation Methods: The United States and Canada, 1978-1985* (Washington, D.C.: U. S. Department of Health and Human Services, 1987), Publication NIH 87-2940; J. A. Stein, "The Cancer Information Service: Marketing a Large-Scale National Information Program Through the Media" in D. S. Leathar, G. B. Hastings, K. M. O'Reilly and J. K. Davies, *Health Education and the Media* (London: Pergamon Press, 1986), pp. 3-10; Centers for Disease Control, *A Decision-Maker's Guide to Reducing Smoking at the Worksite* (Washington, D.C.: U.S. Public Health Service, 1985).

9 Dileep G. Bal, Kenneth W. Kizer, Patricia G. Felten, Harold N. Mozar □and Dearell Niemeyer, "Reducing Tobacco Consumption in California: Development of a Statewide Anti-Tobacco Use Campaign," *Journal of the American Medical Association*, Vol. 264, No. 12 (Sept. 26, 1990), p. 1570.

10 *Ibid.*

11 John P. Pierce, David M. Burns, Charles Berry, Bradley Roosbrook, Jerry Goodman, Elizabeth Gilpin, Deborah Winn and Dileep Bal, "Reducing Tobacco Consumption in California: Proposition 99 Seems to Work," *Journal of the American Medical Association*, Vol. 265, No. 10 (March 13,1991), p. 1257.

strategy, including a relatively large increase in the real price of cigarettes, health education programs in schools, smoking cessation programs and--most importantly for this paper--a paid mass-media anti-smoking campaign.

From April 1990-June 1991, the California Department of Health Services (DHS) carried out this campaign, employing television, radio, outdoor and print media. The media campaign was conducted for DHS by a Los Angeles advertising agency; approximately $28.6 millionwas allocated for the campaign, making it by far the most expensive statewide anti-tobacco media campaign carried out thus far.[12]

In January 1992 Gov. Pete Wilson ordered that the media campaign be suspended and said he intended to use the unspent money to fund prenatal medical services for the poor, in light of the state's budgetary crisis. As a result, DHS cancelled its advertising contract.[13] However, the California affiliate of the American Lung Association sued the Wilson administration to force the restoration of funds for the media campaign. On April 24, 1992, a Sacramento superior court judge ordered the state to sign a new contract and proceed with the media campaign, since it had been mandated by Proposition 99.[14] A new $16 million advertising campaign was announced in February 1993.[15]

This paper describes the development and operation of California's anti-tobacco media campaign, examines the legal arguments made in 1992 for and against the resumption of the campaign and reviews the studies of the effectiveness of the first phase of the campaign in 1990-91.

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[12] W. James Popham, Lance D. Potter, Dileep G. Bal, Michael D. Johnson, Jacquolyn M. Duerr and Valerie Quinn, *Do Anti-Smoking Media Campaigns Help Smokers Quit?* (Los Angeles: IOX Assessment Associates, 1991), p. 2.

[13] "State Set to Scrap Anti-Smoking TV Ads," *Los Angeles Times*, Jan. 16, 1992.

[14] Daniel M. Weintraub, "Wilson Broke Law by Halting Anti-Smoking Campaign," *Los Angeles Times*, April 25, 1992.

[15] Sam Stanton, "State Fires Up New Campaign Against Smoking," *Sacramento Bee*, Feb. 5, 1993, p. A1.

Review of Research on Tobacco Advertising and Tobacco Consumption

In January 1989, shortly after the passage of Prop 99, the U.S. Office on Smoking and Health (OSH) reported that the nation's war on smoking was faltering. While overall tobacco use was dropping, the number of people who quit was being largely offset by the recruitment of 3,000 new smokers per day--most of them young. OSH researchers also predicted that by the year 2000 tobacco use will be overwhelmingly a habit of the poorly educated and minorities.[16]

The relationship between tobacco advertising and tobacco consumption has been the subject of much research. In recent years several countries have introduced a total ban on tobacco advertising (Norway in 1975, Finland in 1977, Canada in 1989, Australia and New Zealand in 1990). A review of the evidence from these countries found that the elimination of tobacco advertising was associated with a significant decline in tobacco consumption.[17]

The U.S. tobacco industry has argued that advertising is necessary for tobacco companies to maintain market shares of this legal product and has claimed that advertising by individual tobacco companies targets adults only and encourages regular smokers to switch brands or to maintain brand loyalty.[18] Despite evidence that 90 percent of recent adult smokers started smoking regularly before the age of 18,[19] both tobacco product manufacturers and representatives of the major association of advertisers have consistently denied that cigarette advertising targets adolescents or encourages them to smoke or to use other tobacco products.[20]

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[16] Allan Parachini, "U.S. War on Smoking Faltering, Studies Show," *Los Angeles Times*, Jan. 6, 1989.

[17] Department of Health, *The Effect of Tobacco Advertising on Tobacco Constumption: A Discussion Document Reviewing the Evidence* (London: Economics and Operational Research Division, 1992).

[18] Pierce, Gilpin et al, p. 3154.

[19] Surgeon General, *The Health Consequences of Smoking: 25 Years of Progress; A Report of the Surgeon General* (Rockville, Md.: U.S. Department of Health and Human Services, 1989), U. S. Department of Health and Human Services Publication (CDVC) 89-8411; John P. Pierce, M. Naquin, E. Gilpin, G. Giovino, S. Mills and S. Marcus, "Smoking Cessation in the United States: A Role for Worksite and College Smoking Bans," *Journal of the National Cancer Institute*, Vol. 83 (1991), 1009-1013.

[20] Pierce, Gilpin et al, p. 3154.

However, evidence indicates that tobacco advertising influences children's images of smoking.[21] Evidence from several countries also suggests that both smokers and prospective smokers find tobacco advertising more attractive than nonsmokers do.[22] In Great Britain, the proportion of children who gave "looks tough" as a reason for smoking declined after tough images were banned from cigarette advertisements.[23] Children as young as 6 years old can reliably recall tobacco advertisements and match personality sketches with the brands using that imagery.[24] In fact, cigarette advertising establishes such imagery among children who are cognitively too young to understand the purpose of advertising.[25] Subsequently, children who are more attuned to cigarette advertising have the most positive attitudes toward smoking, whether or not they already smoke.[26] Children who are more aware of, or who approve of, cigarette advertisements are more likely to smoke, and those who do smoke buy the most heavily advertised brands.[27]

Historically, one brand that children have not bought is Camel. In 1988 RJR Nabisco launched the "smooth character" advertising campaign, featuring Old Joe, a cartoon camel modeled after James Bond and Don Johnson of *Miami Vice*. Many industry analysts believe that the goal of this campaign is to reposition Camel to compete with Philip Morris' Marlboro brand for the illegal children's market segment.[28] In December 1991 the *Journal of the American Medical Association* published three research papers that demonstrated the revitalized campaign for Camel cigarettes in the United States had a stronger impact on the very young than it did on adults.[29] Another study conducted by the advertising industry and reported in *Advertising Age* found that the majority of children aged 8 through 13 years could name cigarette brands. Moreover, this age group was able to describe how these brands were advertised (with a camel and cowboy and not with other images such as dolphins or clowns).[30]

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[21] P.P. Aitken, D. S. Leathar, F. J. O'Hagan and S. I. Squair, "Children's Awareness of Cigarette Advertising," *British Journal of Addiction*, Vol. 82 (1987), pp. 615-622.

[22] P. Tether and C. Godrfey, "Tobacco Advertising" in C. Godfrey and D. Robinson, *Preventing Alcohol and Tobacco Problems*, Vol. 2 (Avebury: Aldersholt, 1990), chapter 4.

[23] A. Charlton, "Children's Advertisement-Awareness Related to Their Views on Smoking," *Health Education Journal*, Vol. 45, No. 2 (1986), pp. 75-78.

[24] DiFranza et al, p. 3149.

[25] P. P. Aitken, D. S. Leathar and S. I. Squair, "Children's Awareness of Cigarette Brand Sponsorship of Sports and Games in the UK," *Health Education Research*, Vol. 1 (1986), pp. 203-211.

[26] This finding is reported in the studies by Aitken, Leathar, O'Hagan and Squair; Charlton; and Aitken, Leathar and Squair.

[27] DiFranza et al, p. 3150-3152; A. O. Goldstein, P. M. Fischer, J. W. Richards and B. A. Cretin, "Relationship between High School Student Smoking and Recognition of Cigarette Advertisements," *Journal of Pediatrics*, Vol. 110 (1987), pp. 488-491.

[28] DiFranza et al, p. 3149.

Proposition 99 and the Anti-Smoking Ad Campaign

In California, where in recent years the tobacco industry has spent an average of $1 million per day on advertising and promotion,[31] or $200 million per year,[32] the social burden caused by cigarette smoking is staggering. In 1988, when voters approved Prop 99, an estimated 31,000 deaths, or 16 percent of all deaths among adults, were attributable to smoking. The annual economic burden to the state resulting from smoking was estimated at more than $7.1 billion for direct and indirect costs.[33] Moreover, the state's minority and school-age populations, the targets of much cigarette advertising, are large and rapidly growing: California is the destination for about 25 percent of the country's immigrants, and 150,000 new students enroll in the state's public schools each year.[34]

To begin addressing a health problem of such magnitude, citizens approved Proposition 99 with 60 percent of the votes cast, despite the well financed opposition of the tobacco industry, which spent $21 million trying to defeat Prop 99.[35] The resulting Tobacco Tax and Health Promotion Act of 1988 gave to the state's Department of Health Services the central role in implementing the statewide anti-tobacco campaign. To reach the groups most at risk of tobacco use uptake and tobacco-related disease, the DHS contracted with Livingston + Keye (formerly Keye/Donna/Pearlstein), a Los Angeles advertising agency. Approximately 60 percent of the projected two-year campaign cost of $28.6 million was to be directed toward young people and the remainder directed toward adults.[36]

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[29] Ibid.; Pierce, Gilpin et al; and P. M. Fischer, M. P. Schwartz, J. W. Richards Jr., A. O. Goldstein and T. H. Rojas. "Brand Logo Recognition by Children Aged 3 to 6 Years: Mickey Mouse and Old Joe Camel," *Journal of the American Medical Association*, Vol. 266, No.22 (Dec. 11, 1991), pp. 3145-3148.

[30] G. Levin, "Poll Shows Camel Ads Are Effective with Kids," *Advertising Age*, April 27, 1992.

[31] Tobacco Education Oversight Committee, *Toward a Tobacco-Free California: Exploring a New Frontier 1993-95* (Sacramento: California Department of Health Services 1993), p. viii.

[32] Virginia Ellis, "Doctors Hit on Anti-Smoking Program," *Los Angeles Times*, Aug. 1, 1989, p. 3.

[33] Bal et al, p. 1571; *Toward a Tobacco-Free California*, p. viii.

[34] Bal et al, p. 1574.

[35] Douglas Shuit, "Conferees Vote to Fund No-Smoking Ad Campaign," *Los Angeles Times*, Sept. 14, 1989, p.3.

Although early evaluations of media-based health education programs did not cause researchers to be optimistic about the effectiveness of such campaigns,[37] more recent studies of media campaigns that focused on smoking prompted Flay[38] to be encouraged regarding media-based programs' potential impact on adult smoking cessation. Illustrative of these investigations are several Australian studies of anti-smoking media campaigns recently reported by Pierce and his associates.[39] Optimism regarding anti-smoking media campaigns may be particularly warranted during an era when societal disapproval of smoking has been increasing.[40] Anti-smoking media-based programs prior to the 1980s may have been "swimming against the secular stream of increasing pressures and examples to smoke"; latter-day antismoking media campaigns, however, may profit from the growing social disdain for smoking.[41]

Funds for the California anti-smoking media campaign were a small portion--approximately 2 percent--of the approximately $600 million in new tax revenues raised by the

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[36] Bal et al, p. 1572.

[37] B. R. Flay, "Mass Media Linkages with School-Based Programs for Drug Abuse Prevention," *Journal of School Health*, Vol. 56 (1986), pp. 402-406.

[38] B. R. Flay, "Mass Media and Smoking Cessation: A Critical Review," *Journal of Public Health*, Vol. 77 (1987), pp. 153-160; B. R. Flay, *Selling the Smokeless Society: 56 Evaluated Mass Media Programs and Campaigns Worldwide* (Washington, D.C.: American Public Health Association, 1987).

[39] J. P. Pierce, T. Dwyer, G. Frape, S. Chapman and N. Burke, "Evaluation of the Sydney 'Quit. For Life' Anti-Smoking Campaign," Medical Journal of Australia, Vol. 144 (1986), pp. 341-347; J. P. Pierce, P. Macaskill and D. Hill, "Long-Term Effectiveness iof Mass Media-Led Antismoking Campaigns in Australia," *American Journal of Public Health*, Vol. 80 (1990), 565-569.

[40] L. D. Johnson, P. M. O'Malley and J. G. Bachman, *National Trends in Drug Use and Related Factors among American High School Students and Young Adults, 1975-1986.* U. S. Department of Health Services Publication No. ADM 87-1535 (1987); W. J. McGuire, "Public Communication as a Strategy for Inducing Health-Promoting Behavioral Change," *Preventive Medicine*, Vol. 13 (1984), pp.299-319; B. Danaher, M. Berkanovic and B. Gerber, "Mass Media-Based Health Behavior Change: Televised Smoking Cessation Progr□am," *Addictive Behavior*, Vol. 9 (1984), pp. 245-253.

[41] Popham et al, pp. 1-2.

Proposition 99 tobacco taxes from 1989-1991.[42] Prop 99 required that 20 percent of these revenues be spent on anti-smoking education programs, of which the media campaign would be a component.[43] The tobacco industry bitterly opposed the the media campaign and employed 24 lobbyists in an unsuccessful, last-ditch effort to persuade legislators to give the advertising money to grade schools to finance anti-smoking education programs.[44] The industry won some allies, including the Senate Republican leader, who said he opposed using advertising money for television because he did not think mass advertising is the best way to reach smokers. This argument struck many legislators as disingenuous: "The tobacco guys [went] crazy because they know very well that [their] advertising works," said the chair of the two-house conference committee that approved the funds for the media campaign. In September 1989--10 months after passage of Prop 99--Assembly Bill 75, the enabling legislation, was approved by a vote of 68-2 in the Assembly and 38-0 in the Senate and then was signed by Gov. George Deukmejian.[45]

The state's anti-tobacco media campaign was launched in April 1990, with a central theme of reversing the erroneous image that smoking is glamorous that was created through decades of tobacco industry advertising. Campaigns that focused on youth and adult smokers began in May 1990. Television, radio, print and outdoor ads were used to target, in successive priority: children aged 11 to 14 years; children aged 6 to 10 years; adolescents and young adults aged 15 to 21 years; pregnant women who smoke; and individuals, primarily men, who experiment with or regularly use "smokeless" tobacco. Print and broadcast advertising targeting African Americans, Latinos and Asian/Pacific Islanders began in June 1990. Thereafter, advertising targeting these groups was concentrated in four waves of six to 10 weeks each through October 1991.[46] The campaign's use of paid advertising enabled it to place ads where the message could be specifically targeted to the audience, rather than relying on public service advertisements that are usually aired at times when few audience members are present.[47]

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[42] Bal et al, p. 1573.

[43] Douglas Shuit, "Lobbying Stalls Pact on Tobacco Tax Spending," *Los Angeles Times*, Sept. 13, 1989, p. 3.

[44] *Ibid.*

[45] Douglas Shuit, "Bill Implementing Tobacco Initiative Goes to Governor," *Los Angeles Times*, Sept. 15, 1989, p. 23.

[46] Declaration of Jacquolyn M. Duerr, Exhibit D, Respondents' Exhibits to Memorandum of Points and Authorities Opposing Petitioners Peremptory Write of Mandate, *American Lung Association of California* v. *Wilson*, April 24, 1992.

Keye/Donna/Pearlstein, the Los Angeles advertising agency that won the contract in competitive bidding, produced $6.3 million worth of media messages, including 20 television spots targeting the general audience and specific ethnic groups; 50 radio spots targeting youth audiences; and outdoor ads in shopping malls and on billboards and buses.[48] A variety of anti-smoking messages was employed in the campaign, i.e., the dangers of second-hand smoke, the impact of smoking upon one's social desirability, health consequences for Latinos, and the risks of smoking for pregnant women. In addition, certain campaign ads attempted to stimulate public debate regarding the role of the tobacco industry in encouraging people to smoke. In one TV commercial, an actor portraying a cigarette company executive urges his staff to find 3,100 new smokers a day to make up for those who are quitting or dying from tobacco use. "We're not in this business for our health," he says.

Evidence of the Effects of the Anti-Smoking Ads in 1990-91

To address the need for data to substantiate program effects, the DHS spent $4.5 million for baseline surveys, data collection and management systems and an independent evaluation of the comparative effectiveness of individual program designs.[49]

The first evidence of the effects of the anti-smoking campaign was announced in November 1990 by Burns and Pierce, whom DHS commissioned to prepare the California Tobacco Survey, a statewide assessment of both smoking prevalence and knowledge and attitudes about tobacco use.[50] The first wave contacted 35,000 households and collected data on more than 118,000 adults. The researchers estimated that "the number of smokers in California in 1990 declined by between 503,000 and 838,000 persons over and above what was expected from the precampaign trend."[51] The authors did not specifically examine the effects of the anti-tobacco media campaign. "Although our observations are preliminary," they wrote, "we suggest that the increase in the excise tax and the associate programs in California may have caused a significant reduction in tobacco consumption."[52]

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[47] *Toward a Tobacco-Free California*, p. 47.

[48] Bal et al, p. 1573.

[49] *Ibid.*

[50] *Toward a Tobacco-Free California*, p. 41.

The state hired IOX Assessment Associates to conduct an evaluation of the media campaign's effectiveness. During in March 1991, researchers conducted telephone interviews with 417 regular smokers who had quit smoking during the media campaign. All subjects identified up to three events or experiences that had influenced them to quit. In response to uncued questions, 6.7 percent of the subjects indicated that the had been influenced to quit by an anti-smoking ad they had seen or heard on radio, TV or billboards. In response to direct or cued questions about the media campaign, 34.3 percent indicated that anti-smoking ads had played a part in their decision to quit. Applying the 6.7 percent to 503,000 people, the lower edge of the Burns-Pierce range, IOX estimated that for about 33,000 former smokers, the anti-tobacco ads were an important stimulus in their quit decisions. Multiplying the 34.3 percent by 503,000, the researchers estimated that for about 173,000 persons the media campaign's advertisements played at least some part in their decision to quit.[53]

DHS Director Molly Joel Coye, in a July 29, 1991, news release, reported on the agency's own internal study of the media campaign's effects. Researchers within the agency determined that campaign messages had reached 97 percent of targeted adults and youth; 78.7 percent of adults and 87.5 percent of school children could recall ads from the campaign.[54]

In their *Tobacco Use in California 1990-1991* report, Burns and Pierce presented data from a survey of cigarette smoking behaviors and attitudes among Californians between June 1990 and February 1991. This survey was not designed to evaluate the effectiveness of the media campaign, but the researchers asked several questions about the perception of the media campaign that "could be related to the attitudes and behaviors of those surveyed."[55] The measure of exposure to the media campaign was narrowly defined as recall of specific media spots within the last seven days, "in order to avoid the generalization and recall problems that occur when longer periods are used. The authors noted that the use of this measure will underestimate the total penetration of some of the spots because they were not run continuously during the entire period that the interviews for this survey were conducted.

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[51] Pierce, Burns, Berry et al, p. 1258.
[52] *Ibid.*
[53] Popham et al, p.9.
[54] Declaration of Jacquolyn M. Duerr, p. 3.

Burns and Pierce found that 13.8 percent of adult Californians could recall the content of one of the state's anti-smoking TV commercials, and an additional 10 percent were able to recall some anti-smoking advertising on television. The recall of the California TV spots was higher among smokers: 18.9 percent recalled the spots in the last seven days. Recall of the commercials was greater among younger adults than older adults and was highest among adolescents. When specific themes of the campaign were examined, only four showed significant amounts of recall: manipulation by the tobacco industry (6.2 percent), passive smoking (5.9 percent), health consequences for Latinos (5.4 percent of Latinos) and smoking and pregnancy (4.9 percent).[56]

The latest evidence of the effectiveness of the state's anti-smoking ads was released in February 1993, as this research paper neared completion. Glantz found that before the anti-smoking ads began to appear in the spring of 1990, the consumption rate in California had been dropping by 46 million packs of cigarettes per year. But April 1990 to September 1991, cigarette consumption dropped by 164 million packs per year.[57]

At almost the same time, Burns and Pierce released their latest study, focusing on tobacco use by adolescents in California. In their 1990-91 survey, the researchers had found that recall of specific tobacco ads was more greater among adolescents and younger adults than among older adults. With only one exception, all groups (categorized as to age, race, gender, school performance) identified Marlboro as the most advertised brand. Teenage blacks were the single exception, saying they thought Camel was the most advertised brand. Burns and Pierce's 1992 study, which did not provide additional evaluation of the effects of the anti-smoking ads, noted that although smoking among California adults was at an all-time low, during 1990-91 the rate of teenage smoking had remained unchanged at 8 percent of boys and 9 percent of girls.[58]

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[55] Burns and Pierce, *Tobacco Use in California 1990-91*, p. 83.
[56] *Ibid*.
[57] Stanton, p. A10.

A Judge Orders the State to Resume the Campaign

In January 1992, just when evidence was beginning to show that the anti-smoking ads were working, Gov. Wilson ordered the DHS to suspend the advertising contract and to cancel already produced ads that were scheduled for broadcast and publication. The governor also submitted a budget for the 1992-93 fiscal year that not only eliminated the media campaign but also slashed funding for other anti-smoking education programs and cut funding for smoking research programs in half. Citing California's anticipated $6 billion budget deficit in the next 18 months, the governor asked the legislature to divert $60 million in tobacco education funds--including the $16 million for the second year of the ad campaign--to pay for prenatal medical services for the poor.[59] *The Los Angeles Times* pointed out that Wilson's decision may have been influenced by a 1991 fund-raiser sponsored by Philip Morris USA that raised $100,000 for the California Republican Party and by a $25,000 contribution from the company for the governor's inaugural celebration.[60]

DHS Director Coye, who in a December 1991 news release had called tobacco use "the most serious but avoidable health challenge we confront in California,"[61] wrote an op-ed column for California newspapers, contending that the state had been forced to make "painful but necessary cuts in worthwhile programs. In a budget where we've been forced to eliminate $300 million in medical services, temporarily redirecting some of the funds from the anti-smoking campaign is necessary and fair."[62] She credited the tobacco tax increase with most of the decline in smoking, although studies have shown than the deterrent effect of increased cigarette taxes peaks quickly and wears off after several months.[63]

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[58] *Ibid.*

[59] *Los Angeles Times*, Jan. 16, 1992, p.A3.

[60] Daniel M. Weintraub, "Heat Put on Wilson Over Anti-Smoking Funds," *Los Angeles Times*, Feb. 21, 1992, p. A3.

[61] Andrew Skolnick, "Court Orders California Governor to Restore Antismoking Media Campaign Funding," *Journal of the American Medical Association*, Vol. 267, No. 20 (May 27, 1992), p. 2722.

[62] Molly Joel Coye, "A Temporary Diversion of the Tobacco Tax," *Sacramento Bee*, Feb. 13, 1992.

On Feb. 21, 1992, the American Lung Association of California (ALA) sued Wilson, Coye and the DHS, asking Sacramento County Superior Court Judge James Ford to issue a writ of mandate that would force the state to enter into a new anti-smoking advertising contract.[64] The ALA argued that the California constitution protects voter-approved initiatives from being altered by the governor or Legislature in any way that violates the intent of the initiative. While Prop 99 required that 20 percent of tobacco tax revenues be spent on anti-tobacco education, Wilson's budget for 199-92 allowed only 9 percent of the revenues for this purpose, and his proposed budget for 1992-93 would have cut it further to 7 percent.[65]

The California attorney general argued that Wilson had not violated the intent of Prop 99 because the initiative also provides that 45 percent of funds from the tobacco tax be spent on health services for the poor. The state argued that redirecting the money for anti-tobacco education is legal, requiring only a four-fifths vote in both houses of the Legislature, and that the language of the Tobacco Tax and Health Promotion Act did not remove the discretion of the DHS director temporarily to delay implementation of the program.[66] (In her newspaper editorial, Coye, emphasizing the "temporary" nature of the diversion of Prop 99 funds, wrote that "to permanently cripple this successful effort would be a mistake.") However, the independent Office of the Legislative Analyst supported the ALA by writing that diverting funds from the anti-tobacco programs would require approval of the voters.[67]

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[63] K. M. Cummings and R. Sciandra, "The Public Health Benefit of Increasing Tobacco Taxes in New York State," *New York State Medical Journal*, Vol. 90 (1990), pp. 174-175; Michael Begay and Stanton Glantz, *Undoing Proposition 99: Political Expenditures by the Tobacco Industry in California Politics in 1991* (San Francisco: Institute for Health Policy Studies, University of California, 1992); Robert L. Flewelling, Erin Kenney, John P. Elder, John Pierce, Michael Johnson and Dileep Bal, "First-Year Impact of the 1989 California Cigarette Tax Increase on Cigarette Consumption," *American Journal of Public Health* Vol. 82, No. 6 (June 1992), pp. 867-869.

[64] *American Lung Association of California v. Wilson et al*, Petition for Writ of Mandate, No. 369533 (Superior Court, County of Sacramento), Feb. 21, 1992.

[65] Skolnick, p. 2722.

[66] Memorandum of Points and Authorities Opposing Petitioners' Motion for Issuance of Peremptory Writ of Mandate, pp. 12-13.

[67] Skolnick, p. 2722.

On April 24, 1992, Judge Ford granted the writ of mandate, ordering the DHS to restore the $16 million, earmarked for the anti-tobacco ad campaign, that had been impounded by Gov. Wilson in January.[68] (The decision had no impact on the rest of the governor's proposal to cut funding for tobacco-related research and anti-tobacco education in public schools.) "We understand that the state is in a dire budgetary crisis," ALA spokesperson Carolyn Martin said. "But the will of the people must still be honored."[69]

On Feb. 4, 1993, Coye announced the resumption of the ad campaign against smoking. "In 1993, the Tobacco Control Program's media campaign will launch a new wave of paid anti-tobacco advertising using many of the more effective materials first aired in 1990--e.g., "Industry Spokesperson," "Vending Machine," "Quitting Takes Practice"--as well as anumber of entirely new ads designed to be as arrested as hard-hitting as those developed during the first wave of the campaign."[70] The print ads include one that says "Leave it to the tobacco industry to call inhaling forty-three known carcinogens 'refreshing'"; another contends that "The only thing cigarette companies care about keeping healthy is their balance sheet." An ad targeting African Americans as to the danger of passive smoke shows a young black man smoking cigarette and the text: "Earl Jones put a contract out on his family for $2.65." In one television commercial, a young man wearing a tie-dyed shirt tells smokers they have bad breath." Several commercials have been produced for "tagging," which allows local health agencies to list 800 numbers and to be identified as the contact for assistance at the end of the ad.[71]

The campaign will continue uninterrupted through June 30, 1994. At that time the Legislature must approve a new enabling bill that specifies whether future monies will be available for anti-smoking ads. The tobacco industry is expected once again to try to convince legislators to eliminate the ads or cut their funding.

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[68] *American Lung Association v. Wilson et al*, Judgment for Petitioners, No. 369533.
[69] Quoted in Skolnick, p. 2722.
[70] *Toward a Tobacco-Free California*, p.41.
[71] *Ibid.*

Discussion

The total amount of money California has spent on anti-tobacco ads was equivalent to only about six weeks of tobacco advertising in California.[72] Nevertheless, industry continue to complain that the ads "unfairly trash tobacco" and that tax-paying smokers in California are being forced to "pay for their own harassment."[73] The DHS responds that:

> The de-glamorizing strategy driving the media campaign expose[s] the predatory aspect of the profit-driven tobacco business and repositioned tobacco marketers as part of the problem. For non-smokers, especially children, the strategy focuse[s] on exposing the manipulative power of tobacco advertising, with its subliminal appeal, and on spotlighting the tobacco companies' efforts to persuade young people to start smoking. This new perspective put the health message that teenagers are taught in a different light, and couraged them to rebel against the tobacco companies. For smokers, the advertisements directed the anger and frustration they feel about their addiction away from themselves and toward the tobacco companies.[74]

The statewide media campaign works hand-in-hand with community-based outreach efforts, giving special consideration to the needs of the local health departments and competitive guarantees in order to create linkage between the statewide campaign and local cessation programs. The DHS awarded 210 grants during 1990-91 to citizens and groups to develop, in a variety of languages, group presentations and to purchase "545 newspaper ads, 3,269 radio commercials, 673 televisions and 171 billboards" to supplement the anti-smoking media campaign described in this paper.[75] Unfortunately, all these anti-tobacco messages amount to but a drop in the bucket compared to the volume of tobacco industry advertising and promotion.

Burns and Pierce's 1990-91 survey found that more than half of all Californians support banning advertisements in newspapers and magazines, banning tobacco billboard ads and banning tobacco company sponsorship of events.[76] While the banning of all advertising for a legal product obviously raises First Amendment questions, scientists who argue that the ban can be based on "sound scientific reasoning"[77] are now being joined by legal scholars who argue that tobacco ads fail the four-part test for government regulation of advertising posited in *Central Hudson Gas & Electric Corporation v. Public Service Commission of New York.*.[78] No less a First Amendment authority than Vincent Blasi has argued that "Under *Central Hudson*, false, deceptive and misleading advertising can be prohibited, and even non-deceptive advertising can be banned where necessary to accomplish a substantial governmental purpose. A...convincing case can be made that the [tobacco] industry's current advertising is inherently deceptive and misleading [because] this advertising fails to disclose adequately the lethal and addictive qualities of the product."[79]

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[72] Bal et al, p. 1573.
[73] Stanton, p. A13.
[74] *Toward a Tobacco-Free California*, p. 40.
[75] *Ibid.*
[76] Burns and Pierce, *Tobacco Use in California 1990-91*, p. 144.

That government can regulate false or deceptive advertising corresponds to the first part of the *Central Hudson* test. As to part two of the test, the government has a substantial interest in reducing the incidence of death and disease that result from tobacco use.The third part of the test is that the regulation must directly advance the interest that the government has asserted. "It could not seriously be argued that the tobacco industry spends over $3 billion annually on advertising that does not serve to increase the demand for its products."[80] The fourth part of the *Central Hudson* test--that the regulation be the "least restrictive" possible--was modified in 1989 by *Board of Trustees of the State University of New York v. Fox,* [81] where the court held that a state regulation of commercial speech might be constitutional if it is "reasonable." 'Congress could find that a counter-advertising program, or more strenuous labeling requirements, would not be as effective as am advertising ban on reducing demand for tobacco. If so, the advertising ban would not be unlawful simply because these lesser restrictions are available."[82]

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[77] DiFranza et al, p. 3152.

[78] 447 U.S. 557 (1980). See Ile and Kroll, pp. 1593-4; Larry O. Gostin, Allan M. Brandt and Paul D. Cleary, "Tobacco Liability and Public Health Policy," *Journal of the American Medical Association*, Vol. 266, No. 22 (Dec. 11, 1991), pp. 3178-3182.

[79] Vincent Blasi and Henry Paul Monaghan, "The First Amendment and Cigarette Advertising," *Journal of the American Medical Association*, Vol. 256, No. 4 (July 25, 1986), p. 503.

80 Ile and Kroll, p. 1594.

[81] 109 S.Ct. 3028 (1989).

82 Ile and Kroll, p. 1594.

Finally, in *Posadas de Puerto Rico Associates v. Tourism Company of Puerto Rico,*[83] the Supreme Court held that government need not ban a product before it can ban advertising of that product.

The enactment of a total ban on tobacco advertising is, of course, beyond the authority of the state of California. But just as the state has presented to other states a model for an anti-tobacco advertising campaign that has been shown to be successful as part of a multi-faceted tobacco control program, so can the state--if it wishes--take the lead in pressing upon Congress and/or the federal courts the argument that tobacco advertising ought to be banned in the interest of protecting the public health. To mount such an effort would require the support of the people--which apparently already exists--and the political will and integrity to resist what would surely be unprecedented lobbying attempts by the industry to protect the most effective means of insuring its deadly profits.

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[83] 478 U.S. 343 (1986).

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Hispanic-American Consumer Behavior: A Marketing Update

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July 1, 1993

Abstract

The consumer behavior of Hispanic Americans has attracted far more attention from corporations than academicians. The academic community has written sparingly on the subject and studies that have been published have been contradictory and mired in discussions of research methodology.

Some of the confusion can be attributed to the lack of consensus about approach. For example, researchers have not been consistent in their definition of Hispanic consumers. Recent research indicates that some of the contradiction is a result of not measuring the strength of Hispanic ethnic identification. Still others have suggested that in order to be meaningful, consumer behavior scales must include an income component.

This paper takes a critical look at the research on Hispanic consumer behavior and makes recommendations for additional approaches for studying the fastest growing ethnic group in America.

Hispanic-American Consumer Behavior: A Marketing Update

Introduction

The "melting pot" theory of ethnic assimilation finds little support today in American society. No longer are ethnic groups expected to melt into mainstream society in order to create a blended, homogeneous American culture. Sociologists now speak about "pluralistic" patterns of assimilation, where different ethnic groups retain their ethnicity within the structure of a diverse American culture.

Patricia B. Rose of Florida International University recently pointed out that the Melting Pot theory played well into the "mass marketing" society of the 1920s, just as cultural pluralism coincides nicely with today emphasis on marketing segmentation. A growing recognition of the reality of cultural pluralism and diversity, as well as the growth of market segmentation as a marketing tool, has led marketers to study ethnic groups in their quest to segment the market on the basis of race or cultural ethnicity.

Because they have comprised the largest ethnic minority group, African Americans have traditionally been the focus of ethnic research and marketing. In the 1990s, marketers are also watching the growth of the Hispanic American population.

They know that where there are large numbers of people, there is marketing potential. And, in the case of Hispanics, the numbers are growing quickly.

Despite the time and money being poured into Hispanic marketing, there are few clear conclusions coming out of academic research about the consumer behavior of Hispanic Americans. Rather, academic research has been inconclusive and highly contradictory, leading some to question whether Hispanic Americans and Anglos are more alike than different.

Earlier ethnic research that focused on differences between black and white consumers found that differences in cultural values between the two groups were attributable to socioeconomic status rather than ethnic culture. (Rokeach and Parker 1970) More recent research contrasting Anglo and Hispanic American behavior has sought to control for socioeconomic status and age and the findings are less conclusive.

While the amount of ethnic consumer behavior research is increasing, there is still a dearth of academic research about Hispanic Americans. In contrast, private sector research by Hispanic research and advertising agencies appears to be moving ahead quickly and has convinced corporate America of the viability and importance of the Hispanic-American market. Millions is being spent to understand their consumer behavior, particularly through the use of Spanish-language market research.

Most of the research about Hispanics over the last 10 years has centered on the following themes: ethnic identification (Deshpande, Hoyer, Donthu 1986);

assimilation (Wallendorf and Reilly 1983); brand loyalty (Saegert, Hoover and Hilger 1985); dimensions of "Hispanic-ness" among Cuban-, Puerto Rican-, Mexican-, and other Spanish-speaking Americans (Valencia 1985), cultural values and retail shopping behavior (Mulhern and Williams 1993).

This paper summarizes findings from some of the most recent academic research, discusses the reasons behind the numerous inconsistencies of the data, and provides recommendations about future research possibilities for studying the consumer behavior of Hispanic-Americans as well as other ethnic groups.

Drowning in a Sea of Data

Consider the following statistics from the 1990 census:

I. Hispanics are the fastest growing minority group in the United States.

2. The 22 million Hispanic population made up nine percent of the U.S. population in 1990.

3. Median household income for Hispanics was $32,400, 87% of the U.S. average.

If the Hispanic population continues to grow at current growth rates, Hispanics will comprise the largest ethnic minority group within 10 to 15 years. In terms of purchasing power, researchers estimated the market at nearly $190 billion in 1992. A recent study by DRI McGraw-Hill determined that Hispanics spend more money as a percent of income than other ethnic groups on food, clothing, rent, used cars, laundry and cleaning supplies and telephone services.

Because census and consumer goods marketing data clearly indicate that Hispanics are a viable and attractive consumer market, some of the largest and most successful companies are committing substantial resources to better understand and tap the market. The largest Hispanic advertiser, Procter & Gamble, spent nearly $30 million in 1990 on the market. Other big Hispanic advertising spenders in 1990 were

Philip Morris, $8.7 million, Anheuser Busch, $8.6 million, and Coca-Cola, $6.6 million.

In addition, myriad Hispanic research companies and ad agencies have sprouted up to take advantage of corporate America's interest in uncovering more facts about Hispanic buying behavior and tastes. Large advertising agencies are acquiring small Hispanic agencies to make sure that they are equipped to conduct consumer research in Spanish and produce advertising campaigns that will appeal to Hispanic tastes.

Despite the fact that Fortune 500 companies are spending millions to advertise to Hispanics, utilizing Hispanic ad agencies and researchers, and staffing groups whose sole duty is to concentrate on the Hispanic market, academic researchers are approaching the market with caution. Even though earlier consumer behavior models suggest that ethnicity can explain some consumption differences between different groups, academic researchers have had a difficult time substantiating that Hispanic consumer behavior is significantly different from mainstream America's.

Some of the most promising research on Hispanics--research attempting to document distinct cultural differences between Hispanics and Anglos--has been conducted since 1985. But as the following review of the literature will demonstrate, the results are confusing, often contradictory and, usually, methodology-driven.

Brand Loyalty and Ethnic Identification

The marketing literature has traditionally maintained that Hispanic consumers are price sensitive and prefer national brands over store brands. No other attribute has been more strongly associated with Hispanics than brand loyalty. (Fones 1981; Guernica 1982; Segal and Sosa 1983; O'Guinn and Faber 1986). In 1985, Saegert, Hoover and Hilger conducted what would become one of the more contradictory studies of Hispanic consumer behavior. Despite the obligatory section about Hispanic brand loyalty found in many marketing textbooks, the researchers were unable to support the brand loyalty hypothesis. The researchers used two surveys, a mail survey and a mall intercept, that yielded essentially the same inconclusive results. The respondents were drawn from a commercially available list and Hispanics were defined as those with Spanish surnames who identified themselves as Hispanic.

Two problems emerged. First, the response rate for the mail survey was only 9.8 percent. In an attempt to substantiate their findings, the researchers repeated the survey as a mall intercept, which in turn invites questions about the representativeness of the sample. The suitability of a mail survey for Hispanics is also in question. Sagert et al. and subsequent researchers have determined that, in general, Hispanics are not good responders to mail surveys.

Some of the confusion and contradictions of Hispanic consumer research can also be attributed to research that did not measure the strength of the consumer's ethnic identification. Previously-used Hispanic identifiers have ranged from Spanish surname and/or self-identification (Saegert, Hoover and Hilger 1985) to country of origin (Gurak and Fitzpatrick 1982; Massey 1981) to language spoken at home (Massey and Mullen 1984, Webster 1992).

In their 1986 study, Deshpande, Hoyer and Donthu used Hirschman's ethnic affiliation and intensity model in their study of Hispanic consumption. The study suggested that Hispanic consumer behavior could not be generalized without taking into consideration the strength of ethnic identification, as defined by the consumers themselves. While Saegert, et al. asked Hispanics to categorize themselves, they did not consider the intensity of the ethnic affiliation.

Employing intensity of ethnic affiliation into measures of Hispanic consumption, Deshpande, Hoyer and Donthu have found that "weak Hispanic identifiers," Hispanics who did not identify strongly with Hispanic ethnic groups, do not demonstrate the same behavior as Hispanics who strongly identify themselves with their ethnic group. They concluded that consumers who are "strong Hispanic identifiers" are more likely to be brand loyal than are "weak Hispanic identifiers," oftentimes Hispanics who are more assimilated into "mainstream" culture.

In addition to the issue of brand loyalty, they found that "strong Hispanic identifiers" were more likely to buy prestige products as well as products advertised to their ethnic group. They also found that strong identifiers were more likely to be frequent users of Spanish-language media.

Further support for the strength of ethnic affiliation as well as brand loyalty has been identified in Hispanic coupon usage. Again, marketing "folklore" has suggested for years that Hispanics are low-level users of coupons. Suggested reasons have ranged from their presumed confusion of coupons with food stamps to Hispanic distaste for appearing "cheap" or overly thrifty. (Engel et al., 1990).

Donthu and Cherian have found that weak Hispanic identifiers identify more strongly with the dominant culture and are more likely to use coupons than strong Hispanic identifiers. According to their research, strong identifiers are more brand loyal and less responsive to in-store marketing tactics, as determined by their lower use of coupons. But, the "why" behind the finding is not related solely to cultural values.

Instead, strong identifiers are heavier users of Spanish media, where the likelihood of finding coupons is lower. They also frequent small, local grocery stores or bodegas which are less likely to provide in-store coupons or accept them. In other words, inability to obtain or use the coupons may also account for some of the differences in their use of coupons.

From a methodological point of view, neither the Desphande, Hoyer and Donthu research nor the Donthu and Cherian research supporting significant differences in Hispanic behavior suffers from the problems of the Saegert et al study, which measured Mexican-Americans in south Texas only. Donthu and Cherian obtained Hispanic surnames from a nationwide list and their response rate of 24 percent was much higher than the Saegert group's initial 9.8 percent response rate for the mail survey. Although the Desphande et al study drew its sample from Texas only, it had an excellent 53% response rate.

Price Sensitivity, Brand Loyalty and Shopping Behavior: The Scanner Data Approach

Researchers at Penn State recently sought to put an end to some of the Hispanic consumer behavior folklore by using a novel approach. Mulhern and Williams explored price sensitivity and brand loyalty through the use of scanner data. Using actual purchase behavior measured by scanner data, they tested whether some of the more commonly reported characteristics of Hispanic shopping behavior could be attributed to the low income of Hispanics relative to non-Hispanics.

Mulhern and Williams' data suggest that both low and median income Hispanic consumers are as price sensitive as the population at large. As a group, they are more likely to purchase national brands than store brands. The brand loyalty question became even more clouded: brand loyalty, defined as a low propensity to switch brands, was high among median income Hispanics. Low income Hispanics are not brand loyal. They did not study high income Hispanics.

The researchers point out that some of the previous inconsistencies in Hispanic research can be explained by the income variable. They may be right. Research to date has not focused on income as a critical underlying variable in shopping behavior. It will undoubtedly be an important variable in future empirical research.

Hispanic Values: Another Look

Two other recent studies of Hispanic consumer behavior also came to different conclusions. In the 1989 study "Hispanic Values and Subcultural Research," Humberto Valencia of the American Graduate School of International Management, concludes that Hispanics and Anglos in the United States have different cultural values and, therefore, "it is reasonable to expect culturally determined consumer behavior differences between the two groups."

Valencia based his hypothesis on three rationales:

1. Hispanics have been resilient to acculturation into mainstream American life and have preserved much of their culture, language and traditions in the United States (Yankelovich, Kelly and White 1981, 1984)

2. Hispanic culture is constantly reinforced by new immigrants from Latin America and many Hispanics living in the United States maintain their ties with their country of heritage.

3. Most of the immigration by Hispanics has taken place since 1951 and, according to Valencia, "not enough time has passed for complete acculturation to have taken place."

Valencia tested two hypotheses:

H1. There are no overall differences in the cultural values held by Cuban, Tex-Mex, Cal-Mex, and Puerto Rican peoples.

H2. There are no overall differences in the cultural values held by Hispanics and whites in the United States.

Valencia's findings suggest that there is a common Hispanic culture present among Hispanic people living in the United States. His analysis of the subgroups suggests that "a fundamental pan-Hispanic culture exists among all Hispanic people." Therefore, it is reasonable to group together the major Hispanic subgroups for marketing strategy purposes since they have similar value orientations." Valencia does point out, however, that his findings do not necessarily mean that the subgroups will "manifest these value orientations in the same ways."

Nevertheless, his conclusion is contrary to the generally-held and perhaps intuitive notion that Cuban-Americans are different from Mexican-Americans, who in turn are different from Puerto Ricans, etc. Uncovering significant differences in information search behavior between strong and weak Hispanic identifiers, Webster hypothesizes that the same may be true for different Hispanic groups. "The marketer who is targeting Hispanics in such areas as southern California, San Antonio or south Texas, southern Florida, New York city, etc., should not consider the Hispanic groups as being homogeneous." (Webster 1992)

In testing the second hypothesis, Valencia found that Hispanics and Anglos have different cultural values, as measured by their preferences for modes of behavior of end-states of existence. In other words, Hispanics had higher scores on the Rokeach paradigm variables such as "imaginative," "independent," "polite," "responsible," "interest in enjoying a comfortable life," etc. According to Valencia, the implications for marketers are immense and can be related to earlier studies that show, for example, that comfortable life and pleasure-seeking consumers are more interested in products with style and excitement (Scott and Lamont 1974).

In 1991 Wood and Howell of Texas Tech published an "Alternative View" of the second hypothesis of the Valencia research. Using a different statistical methodology that considered relative weighting of the different values, Wood and Howell concluded that mean values for five of the eight variables that Valencia considered significant for Hispanics, were actually less than average relative to other values.

Wood and Howell determined that Hispanics rated the importance of "imaginative," "comfortable life" "pleasure," cheerful," and "responsible" lower than average among the values tested and, the variables suggested by Valencia "would seem to be exceedingly poor choices as bases for an Hispanic marketing strategy."

The researchers recommend future studies that would also incorporate the Rokeach technique and posit two important questions for additional research:

Why do values vary in importance across ethnic groups?

Why do certain values influence certain behaviors more so than others?

Doubts Still Remain

A highly critical analysis of Hispanic marketing appeared in *Forbes* in 1991. Its authors, Christopher Palmeri and Joshua Levine, called the notion of a huge, largely unassimilated Hispanic market "a myth fostered by professional multiculturalists and hucksters." Pointing to recent cuts in Hispanic advertising by General Motors and Campbell Soup Co., Palmeri and Levine believe that Hispanic consumers can be reached by mainstream media.

The authors sparked a great deal of controversy by their article, which concluded: "There will always be a market for specialized advertising aimed at recent immigrants. Just recall the lively German, Italian and Yiddish language media of yore." What Palmeri and Levine don't consider, however, is that the Germans, Italians and Jews were part of the "melting pot," and assimilation was demanded by the dominant culture.

Unfortunately, the *Forbes* authors seem to be tapping into anti-political correctness and backlash. Palmeri and Levine's attitudes about Hispanics are similar to the ethnocentric attitudes that characterize managers in many U.S. corporations that are leery of investing in media and messages for international markets. In arguments similar to the ones espoused by Palmeri and Levine, they claim that mainstream messages and media, i.e. *American* messages and media, appeal to and are effective for consumers in all countries.

The following paragraph from a section entitled "Culture Misunderstandings," in a well-known consumer behavior textbook is an example of a well-intentioned, but misguided attempt to characterize Hispanic consumer behavior. It is typical of some of the behavioral information published about Hispanics and other groups in an attempt to define cultural values and behavior:

> Serious misunderstandings occur when marketers use stereotypes of their own self-reference criteria for designing strategies. A telephone company commercial portrayed a wife saying to her husband, "Run downstairs and phone Maria. Tell her we'll be a little late. Two serious culture errors were committed. First, it is socially unacceptable for a Latin wife to order her husband around. Second, Hispanics do not normally call to say they will not be on time; it is customary to arrive a little late. (Engel et al, 1990)

Rather than bridging cultural misunderstandings, information such as this widens the gap even further and leads the reader to think that asking a husband to call someone is "ordering" the husband around. It also strengthens stereotypes that Hispanics are very "macho" and never show up on time. In effect, this type of information makes the study of other cultural's behavior more exotic, less human and ultimately less studied, because researchers feel that they can never understand the other culture, that they are simply "too different."

Another problematic area for Hispanic research is the lack of credibility or confidence given to research companies that specialize in studies of Hispanics. Given that much of the research on Hispanic-American consumer behavior is coming from independent research companies--who have a vested interest in finding significant differences between Hispanics and other groups--it is no wonder that the *Forbes* journalists are cynical about research findings that report significant differences in Hispanic consumer behavior. Greater acceptance of the possibility that different ethnic groups hold different cultural values can only come about with further unbiased research.

Conclusions and Recommendations

Interest in Hispanic consumer behavior is a relatively recent phenomenon. As Mulhern and Williams point out, it has not "kept pace with the growth of the market segment." Interest in Hispanic consumption is often geographically based, since most Hispanics are located in just five metropolitan areas in the United States. Marketers in Texas, California, Florida, New York and Illinois will tend to be more interested because of the sheer numbers of Hispanics in their marketing area. Nevertheless, high Hispanic birth rates and immigration, as well as rapidly increasing purchasing power, will continue to drive interest in Hispanic-Americans throughout the United States.

To increase the quality and quantity of Hispanic consumer research, academic researchers might consider the following suggestions:

1. With the exception of academic researchers such as Humberto Valencia, researchers have infrequently and sporadically published in the academic journals on Hispanic consumer behavior. There is no real research stream at the moment, a fact which plays well with researchers who fear the P.C. label. Acknowledgment and acceptance of the importance of ethnic consumer behavior will only come with recognition of the topic by the top academic journals. The academic community needs to support the efforts of researchers willing to make forays into the topic--and controversy--of ethnic consumer behavior.

2. Because of the difficulty in reaching all segments of Hispanics through mail surveys, researchers should consider placing greater emphasis on qualitative research, which may provide more fertile territory than traditional quantitative research. At the very least, it will open up possibilities for quantitative research that will expand the research question beyond brand loyalty-type questions.

Qualitative research conducted by Jacqueline Sanchez of Market Segment Research Inc. looks promising. Publishing her findings in *Marketing News*, Sanchez revealed useful information about Hispanics that most companies and researchers should find helpful in formulating marketing strategy and advertising themes:

--Hispanics see themselves as upbeat, colorful, and lively and enjoy being portrayed as such.

--Hispanic women, especially the more recent immigrants, are traditional in their ambitions and roles in the family.

--Ads that portray an affluent lifestyle or white-collar executive employment can trigger negative responses.

--Simple language: Copy written in informal "spoken" Spanish rather than formal Spanish succeeds best with U.S. Hispanics.

Developing information such as Sanchez's is a good place for researchers to start developing hypotheses for future quantitative studies.

3. To learn more about Hispanic consumer behavior, academic researchers should increase efforts to perform joint research with corporations. Some corporations are doing their own research or working with advertising agencies and

Hispanic research shops. Why not combine the research expertise of universities with the close relationships corporations have with their customers? Academic researchers could also benefit from the scanner data available from stores in areas of high Hispanic density.

The extent of corporate interest, as indicated by the substantial money being invested, does not seem to be leading to a greater understanding of Hispanic consumers. Rather, some corporations are spending a large portion of promotional dollars to translate surveys and to advertise existing messages into Spanish without having basic information on whether and how Hispanic consumers differ in important ways from African Americans, Anglos or Asians. We need to convincingly substantiate those differences before moving ahead. As Rose has pointed out, "it is important to convince agencies and advertisers to invest the monies in concept testing and tracking studies so that corporations will have some real knowledge of effectiveness--upon which they can produce strategically targeted advertising."

4. Consider the research possibilities of multi-ethnic marketing research that would include not only Hispanics, but also African Americans and Asians. Many of the research questions about cultural values, attitudes and behavior are similar. Why not take the occasion to simultaneously build a model of ethnic group consumer behavior across ethnic lines?

There is also a business perspective connected to this issue. Because each group individually makes up less than 15 percent of the population, the importance of each ethnic group is often overlooked. Marketers are impressed by numbers. By including the three groups in their studies, researchers would be providing information about a third of the U.S. population. Put in those terms, ethnic consumer behavior research would attract more research dollars and attention.

5. Research subjects should include all Hispanic-American groups, if possible. Conducting research that encompasses different groups of Hispanics as well as different geographic areas may provide additional insights into Hispanic consumer behavior. Conducting research about Mexican-Americans in south Texas, for example, may not yield information generalizable to Puerto Ricans in Chicago or Cuban-Americans in Tampa or even to other Mexican-Americans in California.

6. "Hispanic" should not be defined by surname alone. Purchasing lists with Hispanic surnames alone does not guarantee "Hispanic-ness." Future research should rely on ethnic identification and/or assimilation scales and probably income data.

Finally, as some of the researchers referenced in this paper have sought to do, we also need to pose more research questions that will uncover Hispanic motivations and attitudes, the "why" behind Hispanic consumer behavior. Are the differences cultural, economic, or some combination of both factors? We owe it to ourselves to find out.

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CORPORATE AMERICA: ADAPTING TO THE AFRICAN-AMERICAN CONSUMER MARKET

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A paper submitted for consideration in the Alan Bissel Student Research Competition.

As diverse ethnic populations grow in America, the African-American community is finally being noticed as a new and untapped consumer market. Because this population increase encourages a drastic change from concentrating solely on traditionally white consumer markets, the predominantly white male corporate America is engineering new ways to deal with and understand diverse ethnic groups (White, 1992). This paper will study how many American businesses are changing internally to target African-American consumers.

The Change

Businesses are changing internally by creating new job positions, restructuring policies to gain insight into the African-American community, reviewing some racist practices (White, 1992) and making some attempts to be socially responsible to African-American communities (Center and Jackson, 1990).

Also to meet American ethnic groups' needs, businesses are hiring diversity consultants who understand the communities, their lifestyles, problems and needs as consumers and as employees (Tilove, 1991).

Why the Change?

Such changes are U.S. businesses' reactions to statistical predictions. According to the 1990 Census reports, the overall non-white population is growing faster than the white population. From 1980 to 1990, the white population only grew six percent while the African-American population grew 13.2 percent. During the same period, the Asian population rose 107.8 percent as Hispanics increased by 53 percent and Native Americans mushroomed 37.9 percent. Also immigrants and non-white refugees are coming to America in increasing numbers (Usdansky, 1992). These percentages are illustrated on a chart from USA Today in Appendix A. Companies perceive this population growth as consumer market growth and thus a potential for financial profit. Therefore, many changes within businesses are attempts to better target specific ethnic consumer groups (Mathews, 1992).

Political-Economic Theory

Changes in corporate America to target non-white (especially African-American) consumers can be explained by the Political-Economic Theory. According to this theory, businesses and organizations cater to the needs and interests of groups with large or growing capital to reap profits (McQuail, 1987). The burgeoning African-American consumer market fits the above description. The African-American market is desirable because it is a growing group with growing dollars that corporations can and are capitalizing on.

Charles "Chuck" Morrison, of the Morrison Consultants Group, an African-American owned marketing firm, understands the Political-economic approach and promotes capitalization on African-American markets. In fact, he has found his business niche in helping companies to target often neglected ethnic consumer markets. Because of the widening corporate demand for marketing to African-American and Hispanic consumers, Morrison recently left his position as vice president of African American and Hispanic affairs for Coca-Cola USA to start his own consulting company (Mathews, 1992).

Must Change Internally to Market Externally

In a recent Grocery Marketing article, reporter R. Mathews writes about how Morrison targets these ethnic markets. Morrison suggests that retailers and manufacturers interested in targeting these consumer groups should research and prepare their businesses internally to market successfully externally. Such internal preparations include:

- Understanding the ethnic marketplace
- Making firm commitments to capitalize on the ethnic marketplace
- Devising creative and effective strategies for that capitalization
- Taking the necessary steps to implement those effective strategies (tactics)
(Mathews, 1992)

To complete the first step, Morrison refers retailers and manufacturers to research that helps to define the value of the African-American marketplace. He expands,

> African-Americans are the largest ethnic group in America, accounting for 31 million consumers . . . Together these consumers represent more than $250 billion in annual spending power, roughly equal to the spending ability of the world's ninth largest nation (Mathews, 1992).

Syndicated columnist Dr. Manning Marable also expands on the power of the African-American market. In his April 1993 pre-released column he writes,

> While its true that one-third of all African-Americans live below the poverty level, about one out of seven black households in 1990 had gross annual incomes above $50,000. Second, the average black household spends about $19,130 annually on consumer items, about 35 percent less than the $29,500 spent by the typical white household . . . If African-American consumers were a separate county in terms of the goods and services they purchase, they would represent the fourteenth most powerful economic unit on earth.

Dr. Marable adds African-Americans spend more money on hot dogs, fresh fish, bacon, sausage, sugar, flour, baby food, noncarbonated fruit flavored drinks, boy's sweaters, underwear, sports coats, vests, and boy's pants than whites. Marable also adds African-American households spend 76 percent more money than whites to rent VCRs, radios and music equipment. They spend 219.8 percent more than whites to rent televisions as well.

Thus, African Americans are a consumer oriented people who have a large and growing spending power that companies cannot afford to ignore or neglect.

African-American filmmaker, Spike Lee, does not neglect the African-American market. He literally banks on this consumer group by making films about the ethnic group and their experiences. In fact Lee understands the capabilities and economic value of this ethnic market. He publicized his latest film, Malcolm X, with well received clothing, assessories and hats before he finished making the movie. Malcolm X, a three hour plus bio-epic about an African-American hero and leader, sold out at 1,124 theatres and cineplexes on the first day. With an opening audience that was 80 percent black, it made $2.4 million on the first day it was shown (USA Today, 1992). Yet, another highly publicized 3 hour bio-epic, JFK, a movie about late President John F. Kennedy, only made $1.45 million on the opening day from a predominantly white audience (USA Today, 1992). These figures reveal the African American spending power and capabilities. They reveal that when a product, like Malcolm X and its clothing, is targeted toward African American consumers and their interests, they buy that product.

Among other companies taking steps to interest this consumer market is Mattel Inc. The toy company, manufacturers of the infamous Barbie doll, hired a couple of African American child psychologists to perfect an Afrocentric doll line. The Swahili named collection, Shani, Asha and Nichelle, are dressed in African garb, are three different shades of African American women and have been molded to have fuller noses, lips, behinds and sculpted to have muscular thighs and legs. These features are supposed to make the dolls look like a more realistic African American woman. Also this year, a more realistic looking black male doll has been added to Mattel's doll line. Traditionally white dolls were dipped in dark paint to color their skin and sold to African American children (Gibbs, 1992). Thus, Mattel Inc. has not neglected the African-American market either. Instead, the company has changed to accommodate this growing ethnic market.

In press releases distributed to African-American newspapers, such cosmetic companies as Mary Kay, Avon and Revlon have recently designed products especially for African-American women (see Appendices B-D). J.C. Penny Co. and Spiegel Inc. have both created new clothing lines for African-America women as well. J.C. Penny linked with the Johnson Publishing Co. (an African-American publishing company and producers of *Ebony* and *Jet*) to advertise the clothing to subscribers. Both companies use African-American designers who create afrocentric clothing styles (Millman, 1993).

Confronting Racism

As companies realize African-American consumers are important and tailor products to interest the market, they also note that they must attempt to deal with racism within their organizations to market externally (Mathews, 1992). Many publications only report that companies are changing racist policies and practices of not hiring and/or promoting

African-American employees because of reports. These reports, released in 1987 by the Hudson Institute, predict by the turn of the century, 85 percent of new work force entrants will be non-white, female, and foreign born, while only 15 percent of entrants during the year 2000 will be white males (Tilove, 1991). However, many companies realize that if they plan to be successful in targeting the African-American consumer, they must practice and institute equal opportunity policies because the African-American community has a history of holding companies responsible for exploiting and discriminating against African-American employees (Simpson, 1992).

Historically, the African-American community has boycotted and brought negative publicity to companies which were not socially responsible. For example, An African-American organization called People United to Save Humanity (Operation PUSH) lead a campaign to boycott Nike, an athletic wear company. African-Americans were asked not to buy anything from Nike and also to cover Nike athletic shoes they previously bought with black tape. PUSH explained that the boycott was a response to Nike not hiring and promoting African Americans who bought and continue to buy Nike sporting goods. PUSH also said Nike did not patronize African-American businesses (Houston, 1990).

Although some African-Americans say the protest was not very widespread and supported, Nike reacted. A press release Nike recently sent to several African-American publications is provided in Appendix E. In this release, Nike responded to PUSH and the African-American community by donating money to programs directed toward African-American youth, including African-American role models in commercials, and hiring and training African-American employees.

Another company, Coors, a beer distributor, was also boycotted for not being socially responsible. In 1984, Chairman Bill Coors was charged with saying Africa has economic troubles because African leaders lack intellectual capacity. Many people were offended not only because it was a racist comment, but it also implied that African-Americans were intellectually inferior as well. Coors was also charged with discriminating against non-whites in employment (Center and Jackson, 1990). Coors responded with campaigns working in African-American and Hispanic communities. Today, Coors openly advertises its African-American hiring practices in African-American publications (see Appendix F from Dollars and Sense magazine).

In light of the common experiences to which Nike and Coors responded, other companies notice they must meet the needs of African-American consumers to reap profits. This corporate behavior is in accordance with the political economic theory. Cobbs says companies are trying to be socially responsible because of self-interest (not necessarily for humane reasons). Cobbs writes,

> In reviewing the statistics listed above, one can

> see the attainment of workforce diversity by most organizations is driven by necessity and self-interest. Words like fairness and equality may be used, but institutions with good strategic planning know they will be less competitive if they do not plan for a diverse workforce. . .Those employers and institutions who understand these figures and prepare for their implications, will achieve competitive advantage. (Cobbs, 1989).

Cobbs notes only companies that preplan to shape their organizations for diversity will survive. Such planning includes understanding racism within corporate America. Dempsey Travis (1991), an African-American journalist in Chicago provides a few short stories of corporate racism in his book Racism: American Style A Corporate Gift. In this work, he documented interviews with 122 African-American executives currently or formerly employed in major corporations throughout the United States.

In his chapter "I Play Lacrosse. Who Am I?" Travis writes about Vince Knight who struggled up the corporate ladder and had to fight racism as he climbed. Vince talked about being an African-American in corporate America:

> If I made a mistake, the boss writes in his mental diary, 'I knew Vince could not perform the task. He is Black, and incompetent.' I work simply to survive because there are no Black presidents or CEOs in my future. It's not because Blacks are not qualified to be presidents and chief executive officers of large corporations. We simply reach the glass ceiling and fade away faster than old movie stars. The glass ceiling is crystallized racism, which has been institutionalized by the captains of industry. Racism is so potent that it too frequently causes the victims to question their sanity. Colliding with racism is as mind scrambling as having a brick thrown through

your windshield when you're driving on an expressway.

Companies appear to be trying to confront and change some of Vince's feelings. Los Angeles Times reporter J.P. White (1992) explores companies motives in attempting to change racist practices and policies to market to ethnic consumers and to encourage productivity in the workplace, he writes,

> I was saddened that even the attempt had to be prompted by the profit motive, the census figures or legal armtwisting. But then,. . . I didn't care about motives. I cared instead about the people who work all those hours in my old corporation and at Corporation Xs around the country. They and I want something greater than gold. We all want to feel safe in our differences and to speak our minds with the belief that our ideas will be judged on their value and not on the skin color or gender or age or religion or sexual preference of their creator (1992, pp. 14-18, 38-43).

The attempts to change the office racism White writes about include hiring diversity consultants like the Kaleel Jamison Group, Simmons Associates, Copeland Griggs, Banks Brown Inc. and Elsie Y. Cross Associates.

Elsie Cross, founder and president of Elsie Y. Cross Associates in Philadelphia, has been conducting diversity seminars to the white male dominated corporate America since 1970. These seminars are designed to help businesses better manage non-white and female employees, confront racism and sexism, and help to plan strategies to combat racist policies and practices.

Because of the growing demand for businesses to adapt to diversity or be faced with discrimination law suits and bad public images (White, 1992), Cross has a Fortune 100 waiting list for her three to four day off-site workshops. Through these workshops, she and

> her converts claim that top-dog, kick-ass, five star members of the white ruling class cannot only learn to recognize the sexism and racism in themselves and the organizations they have created but also can learn to change it. . . Like her competitors, Cross also focuses on improving a manager's ability to motivate and build work teams, giving and receiving feedback and avoiding stereotypical assumptions in work assignments (White, 1992, pp. 14-18, 38-43).

Some of Cross' clients include Eastman Kodak, General Electric, Corning Glass, and Ortho Pharmaceutical. She and her associates go into these companies and organizations like these to observe the daily operations she is hired to change.

Racist Observances

While observing, Cross, like other past researchers, found African-American employees were silenced and silence themselves when interacting with white male executives and fellow white male employees, were made to feel inferior in the office and were left out of the white male dominated social networks often needed for an employee to advance (White, 1992).

In Cross' corporate essay, "Issues of Diversity (1992)," she writes, most, if not all of the above racist behaviors and limitations exist because

> For many people in our society racism and sexism feel like the normal way to do business. The idea that difference -- that being black, Asian, Hispanic, or

> female -- means inferiority is deeply ingrained in our society and in the structures of organizations. We are so completely submerged in this thinking, like a fish in water, that we can scarcely recognize its existence . . . Now the problem gets further complicated. As black men, white men, white women, and black women, we may each be victims of one 'ism' while perpetrating others (p. 1).

Other Racist Obstacles

When working with Ortho Pharmaceutical, Cross and her staff discovered some other common situations on all levels of the organization that hindered the productivity and advancement of African Americans and other non-whites in the work force. Cross found that as African-Americans and other people of color are made to feel uncomfortable in the workplace, white men feel the opposite. When covering Cross' progress, White reports,

> White males, they quickly discovered, breathed freely about their futures at Ortho. Women and people of color, on the other hand, felt like they were suffocating. At the system level . . . recruiters didn't seek a diverse slate of candidates. And once in the door, women and minorities received almost none of the feedback, mentoring or promotions offered white men. At the group level, . . white men dominated meetings, made all the key decisions, chose their own successors and established exclusive information loops. And not surprisingly, at the individual level, she heard women and people of color say they felt at best ignored and at worst harassed (white, 1992, p. 18).

Again, to maintain confidence with African-American consumers, equality must be enforced and racism dealt with. Thus, Cross had Ortho and other companies implement feedback sessions with non-white and female employees, structure management development seminars where women and people of color learn strategies to move up the corporate ladder, and drew up a document that "specifically outlines how power will be shared along race and gender lines (White, 1992, p. 18)." To continue to combat racism, Ortho's managers are still evaluated and if it is found that they are not nurturing new and different cultures, "they are shown the door (p. 18)."

These efforts used at Ortho like other organizations Cross Works with, resulted in more African-Americans, women and other non-white groups moving up in companies and staying with the company. Now 60 percent of salaried employees working at the pharmaceutical company's headquarters are not white males. Women and people of color are being promoted to mirror their representation in the workforce.

The Responsibility of Corporate Communicators

Similar to the roles of diversity consultants, public relations practitioners or corporate communicators are responsible for researching and interpreting what growing ethnic and female groups mean internally and externally to the businesses they represent. Then, the communicators should help the entire organization adapt to or react to the change (Foxworth, 1989).

Adapting and reacting to change many times includes hiring African-American public relations, marketing and advertising firms that specialize in targeting the African-American consumer and dealing with the African-American employee. As many African-American communicators realize the demand for liaisons between ethnic communities and corporate America, more

African-American owned and operated firms are being established (Gross, 1985). In 1985, Sharan Morgan, an officer in the Black Public Relations Society said,

> Historically, blacks have not been very visible in the (Public relations) field. As individuals we've not had the solid opportunities with major public relations firms. As firms, we've not had access to prime business opportunities. (Foxworth, 1989)

However, this historical lack of employment opportunity she describes appears to be changing because companies now realize new economic territories (Foxworth, 1989).

> Companies have realized that they must reach all the racial and ethnic groups in their markets and in their communities. That increasing awareness has led to greater opportunities in the form of growing numbers of minority-owned advertising and public relations firms and in the form of aggressive recruiting of Black, Hispanic, Asian American, and Native American professionals by other firms. (Foxworth, 1989)

The report/advertisement in Appendix F shows how companies, such as Coors, are using African-American owned and operated media firms and media outlets to reach the African American community. This page was taken from Dollars and Sense, an African American magazine targeted toward African American business people (Tucker and Thompson, 1990).

In an attempt to understand how companies are preparing for population growths, the Wall Street Journal surveyed 1,400 companies and found that 44 percent of them were adapting to the work force diversity; 20 percent said it was not important for the next two years and 50 percent were adapting on an average level. Twelve percent were doing a poor job of adapting. One-third of all of the participants said they were doing a good job in managing diversity.

The figures and research show the traditional white male dominated corporate America is getting ready for the year 2000 and for the growing African-American population by trying to confront racism, by implementing programs so African-Americans as well as other non-white groups can advance and by creating or sponsoring social programs. All of this activity and progress is being made inside the work force to make money from and to keep a good public image with African-American consumers.

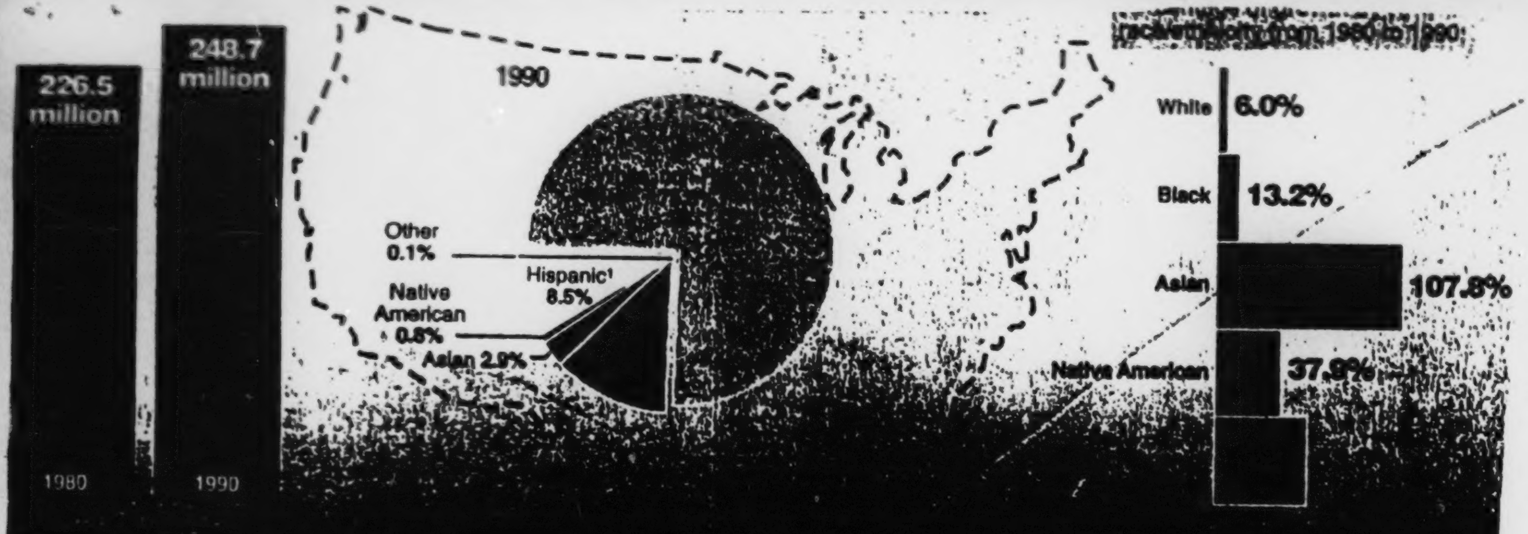
Implications

Although this study only includes information about the African-American community, it can be used as a model to study internal corporate change to meet the needs of other ethnic consumers. Study about how corporate America is trying to accommodate the multicultural work place and consumer markets is important because it affects all professions and therefore the American economy, which is built by the labor and the consumption of goods. Thus, this study has major educational and professional implications which may help to maintain or better the economic situation in the U.S.

As a reaction to this research, university heads should prepare students of all majors for the multicultural society, work force and consumer markets. That is, all students should be required to take courses about and interact with African-Americans and other ethnic people. All students should be required to learn different languages and understand what offends and interests people from other cultural groups. Such courses and interactions could help students be considered an asset to organizations when they seek employment and may help negative race relations.

On the professional level, this study implies people of color may be positively portrayed and less stereotyped in the media. That is, to interest and keep the support of ethnic consumer markets, corporate America, which financially supports the media through advertisements, has to use more positive depictions of people of color in commercials and ads. Moreover, because media ratings for news and entertainment programs are linked with corporate sponsorship, broadcast programs and print media may also positively portray African-Americans and other people of color in their true light.

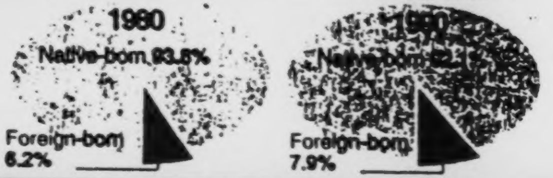
This angle of viewing the study opens dozens of doors for new research and theories about how targeting the ethnic market is related to media portrayals and the portrayals' effects on different audiences and race relations.



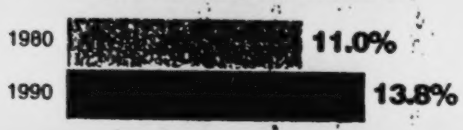
[illegible] from 1980 to 1990:

Immigration changes U.S. landscape

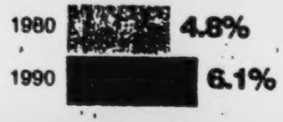
The percentage of foreign-born residents jumped during the 1980s . . .



. . . All of [illegible] those [illegible] other than [illegible]

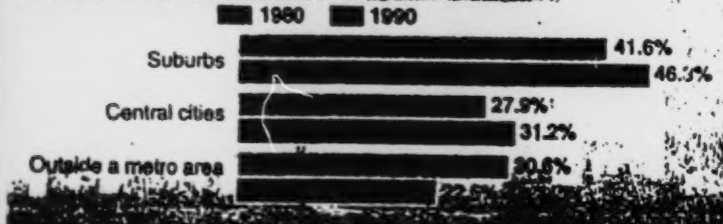


And the percentage of those who do not speak English very well rose . . .

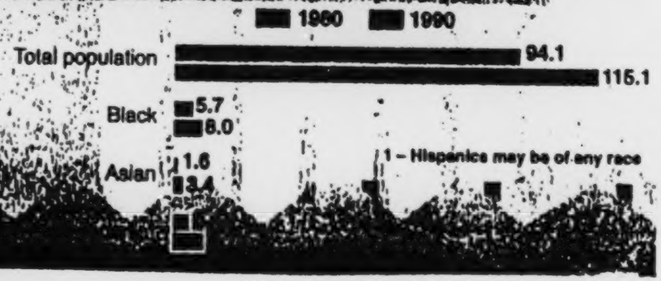


Suburbs attract the masses

How the population has shifted toward the suburbs. Percentage of population living in:



[illegible] the suburbs (in millions):



1 – Hispanics may be of any race

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REVLON
News

Contact: Carol Walters
(212) 527-4727

REVLON SIGNS VERONICA WEBB AS SPOKESPERSON FOR COLORSTYLE COSMETICS

Veronica Webb, writer-model-actress, has been signed by Revlon, Inc. to an exclusive contract as model and spokesperson. Joining Revlon's other glamourous international spokeswomen Cindy Crawford and Claudia Schiffer, Ms. Webb will focus on the firm's soon-to-be-launched ColorStyle cosmetics which is described as the ultimate cosmetics collection for the contemporary African-American woman.

Exclusively designed by Revlon to meet the specific needs of the African-American woman, ColorStyle includes a complete range of shades for the face, eyes, lips and nails. Not merely an extension of existing formulas or shade ranges, it is an entirely new, state-of-the-art array of products never before available to this fast-growing segment of fashionable women.

A native of Detroit, Ms. Webb originally attended Otis Parsons school in Los Angeles where she studied the art of animation. Her desire for less collaborative, more personally involving work brought her to New York where she was "discovered" in a SoHo boutique while attending Parsons School of Design. Almost immediately, her modeling career was launched and she was on her way to Paris. Working with such prestige designers as Azzedine Alaia and Karl Lagerfeld, she quickly captured the attention of the beauty and fashion press, and has appeared on the covers of a number of leading publications including VOGUE and ELLE.

She returned to New York to continue her modeling career and to concentrate on her other ambitions -- acting and writing. In 1991, she made her motion picture debut as Vera Flood in the popular "Jungle Fever," and will soon appear in a cameo performance opposite Denzel Washington in the upcoming "Malcolm X." Additionally, she is a regular contributor to such publications as INTERVIEW, DETAILS, ELLE, as well as a monthly columnist at PAPER, the bible of New York's downtown denizens.

MARY KAY COSMETICS INC.
[illegible]

NEWS RELEASE

Mary Kay Cosmetics, Inc.
Meg Wilson
214/905-5361

Hill & Flowers Public Relations Inc.
Michelle Flowers
312/986-1254

Appendix C

African-American Women & Mary Kay

FACT SHEET

- Of the more than 225,000 independent Mary Kay beauty consultants worldwide, there are approximately 5,000 sales directors. Mary Kay estimates that in the United States, there are more than 25,000 black women pursuing careers with Mary Kay Cosmetics, of which 500 have attained sales director status or higher.

- Mary Kay estimates that at least 11.5% of its annual sales are generated by black consultants.

- Geraldine Nicholson of Hackensack, New Jersey, and Ruell Cone-Dunn, of Atlanta, are the two highest-ranking African-American beauty consultants, having achieved the highest status in Mary Kay, national sales director.

  National sales directors are independent career women who provide training, motivation and leadership to beauty consultants and sales directors in their national area. They also teach classes and receive recognition and awards at Mary Kay's national meeting. Each national sales director receives the use of a Mary Kay pink Cadillac of her choice annually. In addition, these directors make frequent speeches, sharing their expertise with other members of the independent sales force. Finally, they act as liaisons between the independent sales force and the company.

- Both the success of black beauty consultants and new product colors have led to growing popularity of Mary Kay among African-American and other brown-skinned women. Growing numbers of black women are being serviced by Mary Kay consultants and products, and more are taking advantage of its career opportunities.

Mary Kay Cosmetics, Inc. topped $1 billion in retail sales in 1991. As the largest direct-seller of skin care products in the United States, it manufactures and distributes more than 200 premium skin care, glamour, hair care, body care, nail care, sun protection and fragrance products through a worldwide sales force of more than 225,000 independent beauty consultants.

6/92

COVERGIRL

COVER GIRL CREATES NEW SHADES, FORMULATIONS FOR WOMEN OF COLOR

-- Brand Adds 72 Beautiful New Shades --

Cover Girl Cosmetics has announced that it will introduce a wide range of new shades and formulations specifically developed for women with darker skin tones. The new products, all within the brand's existing lines of make-up products, will be available in January, 1993.

"While Cover Girl Cosmetics has always offered make-up shades suitable for all skin-types, this is the first time the brand has been expanded with specially formulated and shaded products that meet the needs of Women of Color," says Cover Girl Associate Advertising Manager Candi Sheffield. "These new additions will appear within our line-up of face, eye, lip and nail products."

The new additions will be officially unveiled at a press event in October, 1992. Among the 72 new products are ten beautiful new foundation shades which will appear in the Clean Liquid Make-Up, Clean Pressed Powder, Fresh Complexion Oil Control Liquid Make-Up and Fresh Complexion Oil Control Pressed Powder lines. There will also be three new shades in the Professional Finishing Powder line.

Five new blush shades will appear in the Cheekers Fashion Blush line. The new Continuous Color Moisture Enriched Blush will feature three special shades and Professional ColorMatch Blush Duets will feature four new shade groupings for darker skin tones.

-more-

Appendix D

Contact: Colleen Weber/Caryn Lander
MARINA MAHER COMMUNICATIONS
400 Park Avenue
New York, New York 10022
212/769-7543
212/355-[illegible]

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News

PRESS CONTACT:
Amal E. Morcos
212/326-1230

FOR IMMEDIATE RELEASE

REVLON BEAUTIFIES BLACK COLLEGES

COSMETICS GIANT PROVIDES SCHOLARSHIPS THROUGH UNITED NEGRO COLLEGE FUND

NEW YORK, FEBRUARY 3, 1993 -- Revlon Consumer Products Corporation and it's subsidiary Roux Laboratories Inc. have joined forces with the United Negro College Fund for a unique Black History Month Program. The manufacturer will provide over $40,000 in scholarship grants through the UNCF Scholarship Sweepstakes. Twenty-eight $1,200 scholarships will be awarded - one for each day of Black History Month, plus one Grand Prize scholarship of $10,000.

Entry forms for the Scholarship Sweepstakes will be available beginning February 1 (Black History Month) in retail ethnic haircare departments nationwide. The scholarships are being funded by proceeds from Creme of Nature Haircare Products. A portion of sales from specially marked Creme of Nature Products will be donated to the scholarship fund.

Revlon has been a supporter of the goals and activities of UNCF since 1956 and is committed to giving young men and women an opportunity that everyone deserves -- a college education.

--more--

NEWS RELEASE

NIKE, Inc.
9000 S.W. Nimbus
Beaverton, Oregon 97005
Telephone 503 644-9000

Contact: Liz Dolan
7/31-8/1
NSGA Show
(312) 791-7850
after 8/1
(503)644-9000

FOR IMMEDIATE RELEASE

NIKE PRESENTS MINORITY PROGRAMS TO PUSH

CHICAGO, July 31, 1990 -- Nike President Richard K. Donahue will meet today with Reverend Jesse Jackson of Operation PUSH to share with Jackson information about Nike's minority hiring, philanthropy and business development programs.

"We welcome this opportunity to show PUSH some of the very aggressive affirmative action programs and development programs Nike is involved with and extremely proud of. PUSH and Nike obviously have similar goals when it comes to generating equal opportunity for all citizens," said Donahue.

"Nike is proud of our association with such great black role models as Michael Jordan, David Robinson, Bo Jackson, Spike Lee and John Thompson, all of whom have been featured in our advertising," Donahue said. "This is an outward indication of our inner commitment to the minority community. When PUSH looks beyond the surface at the way Nike conducts business, they will see how deep our commitment goes."

"We also agree wholeheartedly with Reverend Jackson's statement last week that bullets, not shoes, kill kids, and that books, not sneakers, provide opportunity. That is why we are currently running a $5 million Equal Opportunity advertising campaign urging kids to stay in school and stay off drugs. We are certain PUSH can help us make that campaign even more meaningful to the minority community."

Donahue also noted that Nike would use the meeting to correct some popular misapprehensions about the athletic shoe business. Nike has an extremely diverse business selling athletic shoes, clothes and accessories in 17 different sports categories with equal distribution across the U.S. Contrary to statements which attribute large percentages of Nike's sales of higher priced shoes to urban minority youth, the correct figures are:

-13.6% of Nike's business is to non-white consumers, not 30-40% as previously cited.

-Only 20% of Nike's business is in cities with populations exceeding 2.5 million.

-According to industry research, blacks aged 13-24 are no more likely to buy or own athletic shoes than 13-24 year olds in general. They own an average of 3.1 pairs of athletic shoes out of 9.8 total pairs of shoes.

-15% of Nike's basketball shoe sales are to minority consumers.

-The average price of a pair of Nike athletic shoes is $60.

-The two best selling shoes at Nike are the Quantum Force basketball shoe at $58 and the Air Cross Trainer at $62.

"The fact that only 13% of our business is with the minority community does not decrease our commitment to that community. That is why 14.4% of our workforce is minority, and 75% of our philanthropic dollars are directed to minority programs. We welcome PUSH's help in making those programs as meaningful as possible."

Those programs for employment, philanthropy and business development, include:

Minority Recruitment

*Nike recruits with minority organizations around the country such as the Urban League, black sorority and fraternity conventions and black colleges. Nike is the only athletic footwear company represented at these conventions for recruiting.

*Nike advertises job openings in black and hispanic newspapers in regions where they have facilities and sends weekly listings of available jobs to minority recruiting agencies.

*Nike holds minority open houses at facilities for black community organizations.

Minority Employment

*Nike's workforce in the U.S. is 3,500. Of that total, 14.5% are minority.

*Nike is in a rapid growth phase and has hired 1,039 new employees since January of this year. Of that total, 21% are minority.

*Nike's workforce is 51% female.

Minority Training

*Nike holds English as a Second Language programs at its manufacturing facility in Beaverton, Oregon.

*Nike has a Supervisor-In-Training program at one facility in Beaverton. Half of the employees involved are minorities. Management and supervisor training programs are also offered to employees at Nike's Memphis facility.

*Nike has held Equal Employment Opportunity and Affirmative Action Program Training for most of its department managers in the past year.

Minority Philanthropy

*Nike has in the last year supported with cash or product contributions the following minority-oriented charitable organizations:

*United Negro College Fund
*New York Alliance for Public Schools
*House of Umoja anti-gang program, Portland
*Chicago Youth Centers (Cabrini Green)
*White Buffalo House (Indian Youth Shelter), Portland
*NW Portland Area Indian Health Board
*Self-Enhancement, Inc., Portland
*Head Start
*Black Colleges Conference
*NAACP
*Oregon Council for Hispanic Advancement

Coors

(Subs[illegible]dolph Coors Company)
Corpor[illegible]ters: Golden, Colorado

FACTS YO[illegible]HOULD KNOW

1991 Net Sales: $1,530.3 billion (6[illegible]ttributed to black co[illegible]ers)
Operating Income: $59,126 million

Contributions to black non-profit [illegible]anizations in 1991: $561,240
Amount spent with black vendors in 1991: $17.7 million
Total number of distributorships - 600+
Number owned by blacks - 2

Coors utilizes black advertising [illegible] spent 9.6% of its advertising budget on black-owned print media, 7.2% on black-owned radio and 5.6% on black-owned or black-oriented television in 1991.

[illegible]OYEES

Total U.S. employees - 6,000+

Black officers	.03%
Black managers	1.20%

[illegible]n Facilities Employees (% bl[illegible]

Golden, CO	3.7
Elkton, VA	7.0
M[illegible]	[illegible]6

[illegible] company is ranked No. 220 on the 1991 Fortune 500 listing.

Coors
LIGHT

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Coors Brewing Company
Corporate Communications Department
Golden, Colorado 80401-1295
(303) 277-2555
(800) 525-3736

NEWS RELEASE

CONTACT: Aimee St. Clair
(404) 956-0204

FOR IMMEDIATE RELEASE
1/11/93

COORS DONATES TO MORRIS BROWN COLLEGE

ATLANTA -- Coors Brewing Company has donated $10,000 to Morris Brown College's emergency relief fund drive.

The 111-year-old school, located in Atlanta, is experiencing financial difficulties. Coors donated the money after Atlanta Mayor Maynard Jackson asked the public to help the college.

Miranda Mack McKenzie, Community Relations manager for Coors and a graduate of Morris Brown, presented the $10,000 check to Bishop Donald G. Ming, chairman of the college's board of trustees.

"Morris Brown College is an institution that is too important to let it close its doors," said McKenzie. "We hope that other companies will join Coors in supporting this historic institution."

Coors Brewing Company is the nation's third largest brewer.

# # #

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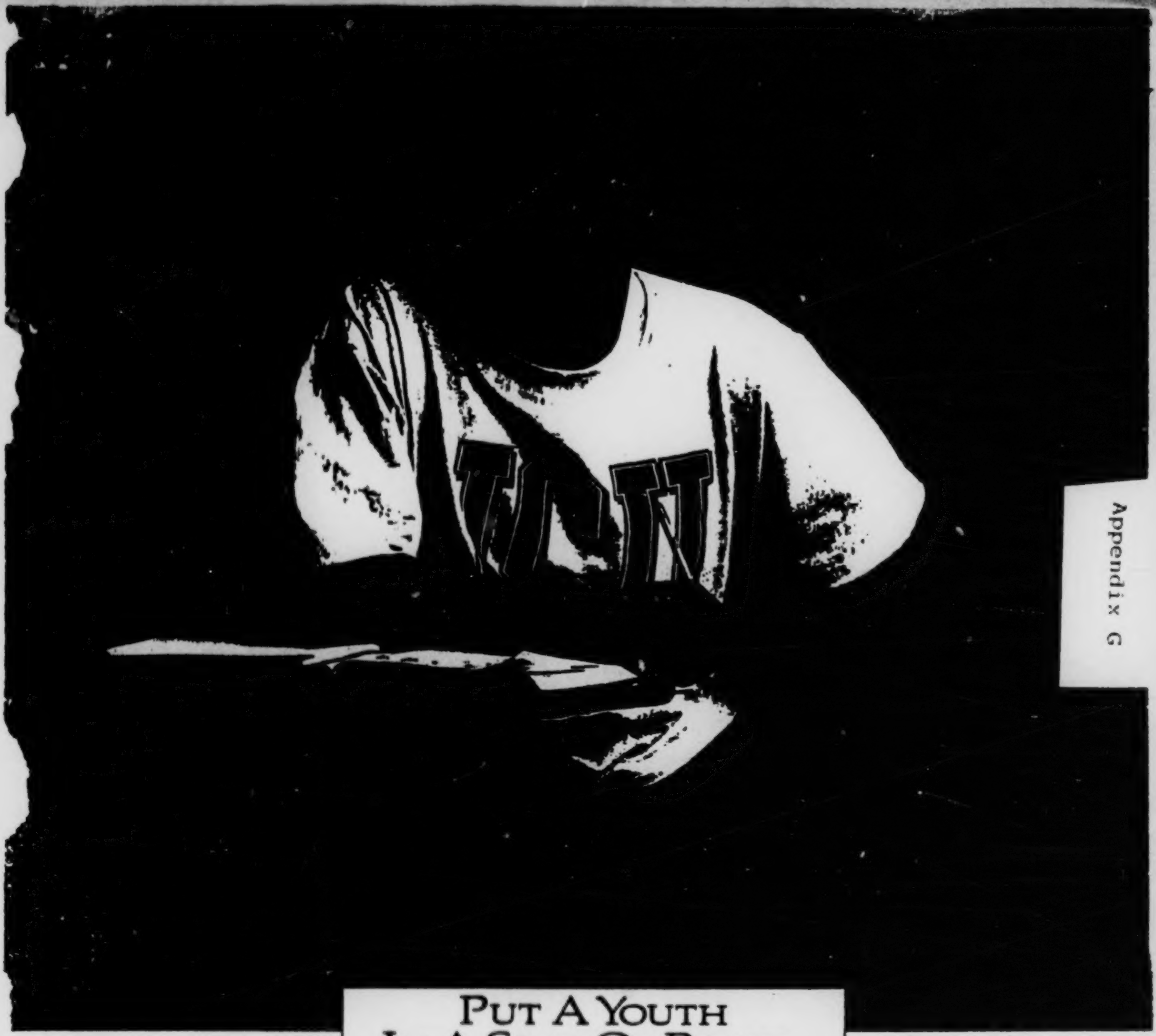

PUT A YOUTH IN A SEAT OF POWER.

It all starts with an education.

Take Hiawatha Northington. Because of his hard work, Hiawatha received a full, four-year scholarship from the Thurgood Marshall Scholarship Fund. And with the education he's getting at Jackson State University, Hiawatha is well on his way to becoming a lawyer.

The Miller Brewing Company is committed to helping young men and women fulfill their dreams through the Thurgood Marshall Scholarship Fund. It's the only national program which awards four-year scholarships to students attending historically black public colleges and universities.

These thirty-six schools don't receive the same kind of financial backing given to black private colleges and universities. Yet, they represent over 76 percent of the students enrolled in historically black colleges and universities.

So if we don't give them a hand, who will?

Give to the Thurgood Marshall Scholarship Fund, and help more youths realize the power of an education.

For fundraising program information, call 612-835-7838.
Or write to: Thurgood Marshall Scholarship Fund, Processing Center, P.O. Box 39992, Washington, DC 20036

Miller

SAVE A DREAMER.
Founding Sponsor of the Thurgood Marshall Scholarship Fund.

THURGOOD MARSHALL SCHOLARSHIP FUND

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The Baddies of Advertising: An Analysis of the Negative in Advertising Criticism

by

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This paper analyzed the ten years of advertising criticism contained in the annual "Badadvertising" issue of Adweek focusing on the language of the criticism as articulated by the editors and readers. It identified 25 features and five generalized categories of bad advertising and developed a typology of criticism based on the logical structure of the commentaries.

The primary problem areas that emerged included idea/concept, followed by execution problems and strategic problems. Social issues and audience reactions concluded the list of five categories. Looking at the primary focus of the criticism in comparison to secondary elements, concept problems followed by social issues led the list; execution and strategic problems dominated the secondary concerns of the critics.

The study also found that problems were more likely to be found in execution than in strategy and in aesthetic concerns rather than effectiveness considerations.

150 words

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75 words

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In 1983 *Adweek* magazine began an annual end-of-the-year review of bad advertising called "Badvertising." The first issue, which appeared in January of 1982, featured the worst of advertising during 1981. In a lighthearted parody of other notable shows and their awards, such as the Clios, Andys, Addies, Effies, etc., this regular issue featured the recognition of a Grand Baddie and its court of runner-ups all of which were officially designated as Baddies. In addition, another set of ads, clients, and practices was recognized as lesser baddies and they were awarded the Tin Trumpet Awards.

Other features of the "Badvertising" issue included articles on special topics that tend to dominate the nominations--such as health, fashion and financial ads, celebrities, violent imagery, theater advertising--as well as interviews with learned critics on their pet peeves in advertising, a summary of ads nominated by readers, and the regional losers.

This annual review continued for ten years until 1991 showcasing the other side of the quality paradigm in advertising. These ten years of bad advertising, as articulated by the *Adweek* editors and readers, are the subject of this study which will look at the language used to critique the work in an attempt to identify a typology of criticism, or at least negative criticism.

In addition to the typology, the paper will also investigate the logic behind the assessment of advertising comparing the frequency of appearance of bad advertising in terms of 1.) the aesthetic/effectiveness debate, 2.) the strategy/execution relationship, and 3.) the generalized categories of problematic advertising. Most importantly, however, this study will look at this collection of acknowledged bad advertising and try to identify where the problems lie.

It should be noted at this point that the raw material of this study of advertising criticism is the commentary in a trade journal--not the judgments of a panel or jury of advertising professionals or the measured responses of consumers. Indeed, further research into advertising criticism would do well to compare the written commentary with award show judging and measures of effectiveness, but the focus of this effort, however, is strictly on the terminology and logic of the criticism itself as embodied in this collection of negative reviews.

Criticism

The *Adweek* special reports contain a collection of advertising criticism. Advertising criticism is a fledgling area in the larger field of criticism which more often focuses on art, film, theater as well as more popular forms such as television and photography. Advertising critics are largely confined to the trade press--Barbara Lippert at

Adweek and Bob Garfield at *Advertising Age*--as well as to a small group of writers for more general newspapers and magazines such as Leslie Savan at *The Village Voice*, and other advertising news columnists who occasionally move into criticism. But criticism is also found in the annual identification of "best advertising" by both trade publications, as well as in this series of special reports on bad advertising.

Why is criticism of interest to the industry of advertising? Criticism is usually reserved for areas recognized as "art" and there are many in advertising-- and outside it--who would argue that such a connection is presumptuous. To that end, it should be noted that the *Adweek* editors expressed a noble objective in the introduction of the first special edition: "We think intelligent, constructive criticism can help raise the standards and the sights of the advertising industry, especially if done with a little humor."[1] It might be useful to remember that criticism can indeed be directed at the science as well as the art of advertising and that both the bottom-line and the aesthetic dimensions can be improved through careful criticism.

Adweek's "Badvertising" issue was characterized by a high level of both interpretation and evaluation even in the highly capsulized format used by the publication in its quick reviews. In that sense, this collection is an important step in the development of--and recognition of-- advertising criticism, with the caveat that it is limited by its focus to the negative side of the aesthetic evaluation.

The Aesthetic Paradigm

The aesthetic paradigm is usually referred to in terms of oppositions--good/bad taste, like/dislike. The quality of taste was a major topic among 17th century aesthetic philosophers who focused on the nature of beauty in order to clarify the effects and values of art. Shaftesbury saw taste as a subjective response, but one based on universal standards of judgment, a position which carries with it a certain amount of contradiction between the need for rules and the more personal intuitive response. Shaftesbury also widened the concept of aesthetics to include other qualities besides beauty.[2]

Hume focused on the concept of critical judgment. In his essay "Of the Standard of Taste" he discusses the rules of judgment which must be based upon experience and can only be established by induction from many observations. Hume concept of the "Qualified Observer" addressed the need for an educated viewpoint in any form of criticism.[3]

As Hume undertook to develop a normative inquiry into aesthetics, others in the 18th century approached the discussion by attempting to identify the predominant aesthetic qualities that characterized beauty or ugliness. Edmund Burke, in particular, sought to develop a logic of taste by attempting to characterize what he called "our most leading passions."[4] Kant in his attempt to develop a theory of aesthetics characterized taste as containing two elements: first, aesthetic judgment, and second, logical judgment. The first being reports of pleasure or satisfaction and the second being concerned with the "good," which involves a consideration of purpose or a more cognitive level of analysis.[5]

More recently, Hugo Meynell wrote about aesthetic judgment that it "is apt to be gradual and cumulative, with those qualified to judge providing a growing consensus of opinion, perhaps over a long period and through many vicissitudes of fashion."[6] Clive Bell-- while acknowledging that all aesthetic judgements must be based on personal experience, that is they must be subjective-- defines a work of art as "significant form" which establishes the formalist logic in contemporary criticism further moving discussion away from notions of beauty.[7]

This study is based on such a historical perspective and attempts to move the discussion of aesthetics in advertising along similar lines that have fashioned the notion of aesthetics in more formal areas of art. It is a search for standards of judgment involving questions beyond beauty such as form and purpose, as well as a search for the aesthetic qualities that characterized good, and particularly bad, in advertising. It is also based on the cumulative experiences of many critics over time.

Cultural Criticism

The negative side of the paradigm is often circumscribed in contemporary times by references to popular culture where bad taste is showcased as "kitsch." In their discussions of kitsch, cultural analysts often seek out the ugly in the commonplace. Since advertising is also commonplace and has impact on popular culture, a focus on the negative side may be an appropriate beginning for an analysis of aesthetics in advertising

Aesthetics scholars have noted that negative judgments are often easier to articulate than positive judgments.[8] In other words, it is easy to identify what you like in a work but it is often hard to explain why you like it. On the other hand, most people--including professors grading papers--find it easy to identify problems and explain why they are problematic.

An example of the difficulty defining the positive comes from *The Encyclopedia of Bad Taste* in which the authors try in the introduction to explain good taste. They quote one definition as "Good taste is what is appropriate" and immediately acknowledge the relativeness of such a statement.[9] Mary Mothersill, an aesthetics scholar, has written a book on the search for and definition of the concept of "beauty," an important dimension of the positive side of the paradigm that continues to occupy philosophers.[10]

Philosophers are not the only ones puzzled by questions of taste. The courts have been trying to deal with obscenity

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issues for decades. An advertising executive, Alfred J. Seaman, president of then SSC&B, wrote in the 1970s that "I am sure I can't define good taste any more successfully than our highest courts can" and then observed that compared to the movies, "advertising language has almost the moral purity of a Gregorian chant."[11]

The appropriateness of beginning the search for a typology of advertising criticism by focusing on the negative side of the equation is supported by cultural critic Paul Fussell's book called *Bad or the Dumbing of America* whose approach to all that is bad in pop culture begins with advertising.[12] He says, "Advertising is the *sine qua non* of BAD." He makes the distinction between BAD and bad with BAD representing "the widest possible gap between what is said about a thing and what the thing actually is." In other words, as he says pessimistically and dramatically," nothing will thrive unless inflated by hyperbole and gilded with a fine coat of fraud" which, of course, is his view of the way advertising operates.

In the first chapter of his book he analyzes examples of bad, BAD and deep BAD advertising. Interestingly, some of his examples also appeared in *Adweek's* "Badvertising" reviews which suggests that the industry's self-examination may be just as critical as the views of a cultural critic.

The *Encyclopedia of Bad Taste* does not point a finger at acvertising as does Fussell. The authors explain that they approached their mission to chronicle bad taste as an anthropologist might "unearth some enchanting cultural artifact from a strange civilization." While the book is not focused on advertising, it does provide definitions and characterizations of bad taste which might be useful in the construction of a typology.

The authors describe bad taste as aesthetic bloopers and faux pas, extreme inappropriateness, and the emotionalism identified with kitsch. Kitsch, of course, carries with it class consciousness, the snobbery of high culture making fun of folk culture as vicarious experience, faked sensations, frivolous, vulgar, superficial, formulaic, and cheap--in the words of critic Clement Greenberg, "the epitome of all that is spurious."[13]

The charge of bad taste--with all its dimensions and details--is frequently leveled at advertising, so that naturally is an important focus of this study. To what degree do critics of bad advertising describe it as being in bad taste? However, it should also be kept in mind that there is no accepted formula for identifying what is in good taste or bad taste. As David Hume in *Of the Standard of Taste* reminds us," Beauty is not a quality inherent in things: it only exists in the mind of the beholder"[14]--i.e. the critic.

Solomon tries to explain the revulsion with bad art and kitsch as going beyond aesthetics and moving into ethics: "Sentimentality and kitsch reveal not only woefully inadequate aesthetic sense but a deep moral flaw of character." As Solomon explains the moral question revolves around the truth of the emotion manipulated by the artist and indulged in by the viewer. Phoniness and fakery are terms that come quickly to the tongues of such critics.[15]

One study specifically looking at questions of advertising and bad taste is a paper by Alan Fletcher on "What it means to be an 'ad we can do without'."[16] Fletcher reviewed letters to the editor in *Advertising Age* between 1970 and 1977 to determine the types of advertisements that have proven most offensive to the readers. Fletcher categorized the kinds of creative approaches that drew the most criticism into nine groups:

1. Sexual double entendre
2. Social Issues
3. Nudity
4. Vulgarisms
5. Violence
6. Death
7. Religious Figures
8. Symbols of America
9. Other.

Fletcher observed that advertisers' attempts to attract attention have included such approaches as using nude women and overweight nude men, putting a wig on the Statue of Liberty, presenting Miss Liberty with a can of deodorant, promoting office furniture that is more comfortable than an electric chair, and noting the humor in the assassination of Abraham Lincoln, and obtaining a testimonial from Jesus Christ for a deli's specialty the Bible Sandwich. Such a catalog of bad taste supports Fussell's condemnation of advertising and easily wins the ads places in the

Encyclopedia of Bad Taste.

Fletcher found that sexual double entendre was the most common category with more than 31 percent of the entries. That approach combined with the use of nudity, accounted for 47 percent of the entries. Following those two were social issues, vulgarisms, and violence. One wonders if Fletcher's categories hold over time or if the criteria of bad taste changes with the times.

Methodology

This study first attempted to build a typology of bad taste by isolating critical features that were independent of one another as expressed in the comments justifying and explaining the negative evaluations in the *Adweek* reviews. A typology is a schema that models the underlying logic behind a classificatory structure, in this case the deep structure of the language used by the *Adweek* critics. The features were isolated by sorting and grouping terms looking for semantic equivalencies and distinct categories through thesaurus analysis which built clusters of related meanings.

The comments were coded first in terms of the general focus of the criticism. For example, if the commentary emphasized the gratuitous use of sex as a message strategy then gratuitous sex was considered to be the primary point of evaluation. Some commentaries, however, would then move to other dimensions of the advertisement and discuss other features such as production (casting, music, etc.), the selling premise behind the sales message, the understatement of racism, or some other type of criticism. In those cases where additional criticism followed the more focused primary comments, these secondary features were also noted.

An integral part of building the typology involved recoding the set of statements over and over to test the features and refine them conceptually and linguistically as groups or sets of characteristics that held together around a central concept. These categories and the logical structure they imply emerged from the way language was used by the critics.

The research questions that focus this descriptive effort are as follows:

1. What are the specific features of bad advertising noted in the language of the criticism?
2. What are the important categories of bad advertising?
3. Are there differences between the patterns of primary and secondary focus?
4. How does criticism differ in terms of execution and strategy, and aesthetic and effectiveness considerations?
5. How do these features and categories compare with Fletcher's analysis?

Findings

As a foundation for analysis, a summary of the language used to critique the ads in terms of both generalized comments and specific evaluatory words and phrases used in the criticism is given in the Appendix. This is a capsule version of the "raw material" of language on which the analysis was based.

Feature Analysis

A total of 25 features was identified from the 453 evaluatory comments identified in the *Adweek* reviews as distinguishing characteristics of bad advertising. Table 1 summarizes the 25 features in order of frequency of use. This table also separates the primary and secondary points of focus, and then gives the total number of uses of that particular feature as a characteristic of "badness."

In terms of the total weight of the evaluation--both primary and secondary comments--the top five features that most frequently elicited negative comments were the selling premise (18%), production problems--casting, dialog, music, etc. (14%), dumb ideas (11%), positioning and association strategies (9%), and offensive or annoying ads (9%).

It is clear from the array in Table 2 that there is a difference between the focus of the criticism and the secondary comments. The dumb idea, which placed third overall, was actually the most frequently cited problem in terms of focus of the criticism(16%) followed by offensive and annoying ads (11%) which placed fifth overall. The other three features in the top five, however, led the list in citations as a secondary problem even though they were less likely to dominate the focus of the criticism.

Category Analysis

The features were then grouped through a series of codings and recodings into a schema that evolved as five dominant categories of "badness." Table 2 summarizes the full typology--both features and categories--and also reports the number of critical comments associated with each dimension and category.

The five categories that emerged and the frequency of mentions are as follows: idea/concept problems (27%), execution problems (25%), strategic problems (21%), social issues (14%), and predictions of audience response (13%). As a general indication of their validity, these five categories are also major headings that tend to appear in similar words or phrases in many advertising textbooks. In other words, they appear not to be idiosyncratic categories derived from this particular study but related to standard approaches used in the planning and analysis of advertising.

Relative Focus of Criticism

It was noted in the discussion of features that there appeared to be some difference in the pattern of comments between the primary and secondary mentions. As can be seen in Table 3, it is possible to see that pattern even more clearly at the category level and the difference is significant ($p>.001$).

Although problems with the idea was the number one area of criticism overall and the primary focus of the criticism, it was third in the number of secondary criticisms. In other words, it dominated the focus of the criticism but was less likely to appear as a secondary criticism. There was less difference for the execution category which was second overall and in secondary mentions but third in primary focus.

The greatest difference, however, lies with strategy problems and social issues where the patterns were opposite. Strategy, for example, was last in frequency of mentions as the primary focus of problem but first in secondary mentions. In contrast, social issues was second in primary focus and last, in the secondary mentions. Predictions of audience reaction was number 4 for both primary and secondary but fell to last place overall.

Figure 1

Focus of the Criticism of Bad Advertising

Primary	*Secondary*
Concept Problems	Execution Problems
Social Issues	Strategic Problems
	Predicted Audience Reaction

In other words, as can be seen in Figure 1, the critics were much more likely to focus on the idea or the social issues as the primary problem area. At that level those tw categories dominated the criticism. On the other hand, execution factors as well as strategy problems, were mentioned very frequently but usually as secondary problems after the discussion of the failure of the concept or the sexist/rascist nature of the message. In other words, it might be said that aesthetic and strategic elements, as well as the predicted audience response, are secondary in the criticism schema to the larger problems of the concept and the social issues.

Differences in Message Strategies

One of the research questions focused on the difference in criticism relative to strategy and execution. Although both of these factors were found to dominate the secondary mentions, they still rated secondary in importance overall to problems with the concept and larger social issues. Because of the importance of the relationship between strategy and execution in advertising planning and development, it might be useful to look more specifically at these two categories of criticism.

As mentioned previously, strategy, as a focus of criticism, was last of the five categories and execution was third, so execution is more frequently the focus of the criticism than strategy. Strategy, in other words, is "cleaner." On the other hand, the relationship reverses at the secondary level where strategy is first in the frequency of secondary comments and execution is second.

What this suggests is that critics are more likely to focus on problems with execution, rather than strategy, and this is probably propelled by the power of aesthetic judgment. However when critics finish discussing the focus of the problem, then they are more likely to turn to discussions of strategy problems. This supports Kant's theory of the two levels of criticism. Overall, and this is supported by the data in Table 3, execution problems seem to arouse more criticism than strategy problems.

Another research question focused on the difference between aesthetic and effectiveness factors in the criticism of bad advertising. Of course these reviews are not supported by either award show ratings (in the case of these ads, presumably the bottom of the entries) or effectiveness data, so this analysis is based on the presumption of a link between the categories that emerged and the constructs of aesthetics and effectiveness. In other words, this discussion is searching for clues, not proof.

In terms of the five categories, strategy is more directly related to effectiveness concerns and execution, as well as predictions of audience response, would be more aligned with aesthetic concerns. This comparison, then, builds on the preceding discussion which concluded that execution, the cue of an aesthetic judgment, is more likely to arouse criticism than strategy and, therefore, may be construed to be more "important" as a point of critical judgment. The category of predicted audience reaction only adds to the importance, then, of aesthetic considerations in this type of criticism. In other words, while cues of effectiveness are not unimportant, they seem to be secondary in importance to aesthetic considerations.

Comparison with Fletcher's Findings

Fletcher's analysis of the language in the "Ads we can do without" letters developed nine categories. This study initially attempted to code using Fletcher's categories and found that they didn't fit the language of these reviews with enough precision to be able to replicate that study directly. Some of Fletcher's categories never appeared. For example, there was no mention of vulgarities, death, or symbols of America--although patriotism was discussed, particularly as it transformed itself into jingoism. The list began with Fletcher's categories, and then was expanded as the critics employed different concepts and ways of expressing their criticism.

In general, however, Fletcher's main finding that the criticism in his study focused on sexual overtones was not supported in this study. The general area of social issues was certainly an important one and dominated the primary focus of many of the reviews, but sex and nudity seemed to give way in this study to broader questions of stereotyping.

On the other hand, the two areas that dominated the critical comments in this study--idea problems and execution problems-- were not pulled out in Fletcher's work so it is not possible to make comparisons in these areas.

Conclusion

This study identified 25 features used by the *Adweek* critics in discriminating among the different problems they identified in the collection of bad advertising. A typology was constructed that schematized these features into five categories of "badness." The primary problems that emerged in this collection of criticism include idea and concept problems at the top of the list followed by execution problems, and then strategic problems. Social issues and predictions of audience reaction concluded the list of five.

When the lists were compared looking at the difference between the primary focus of the criticism and the secondary elements, different patterns appeared. In general, however, concept problems and social issues were the primary focus of the criticism and execution and strategic problems dominated the list of secondary concerns.

In terms of message development, this study found that critics were more likely to focus on problems of execution than on problems of strategy. In a comparison between the features aligning with aesthetics and effectiveness, those aesthetic concerns seem to be more central than the effectiveness considerations.

Finally the study did not find the same concern with sex and nudity that Fletcher had uncovered in his analysis of "Ads we can do without" from the 1970s. Perhaps that means there are fewer problems with the sexual overtones of advertising or it may mean that the focus of criticism has shifted to other topics, although social issues still continue to be an important area in advertising criticism.

Although this paper calls attention to bad taste in advertising, it should be noted that this study doesn't attempt to identify the relative frequency with which such practices occur. Bad advertising exists, just as does bad fiction, bad painting, bad playwriting, and every other form of creative endeavor. No one has determined how much of the creative output in any of these areas is "bad," nor has anyone determined the relative "badness" of advertising.

While Fussell may be willing to consign all advertising to the depths of bad taste, there are many cultural critics as well as average viewers who admit that sometimes the advertising is very well done, sometimes it is even better than the programming or articles that surrounds it. The award shows, for all their controversy, do highlight the fact that occasionally there are enviable messages produced in this admittedly commercial arena. And television shows replaying the "best ads" and award winners frequently have high ratings, so the public finds this work to be worth watching for something other than its commercial message.

Alfred Seaman, who is not trying to be an apologist for the bad work that does exist, nevertheless reminds us that, "The vast majority of advertising people are against bad taste in advertising. Most would not permit it to run even if they thought it would do them some good." And then his caveat: "But taste is a changing thing."

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Table 1

Features of Bad Advertising

	Primary		*Secondary*		*Total*	
	n	%	*n*	%	*n*	%
Selling Premise	7	3	74	32	81	18
Production Problems	8	4	57	25	65	14
Dumb/Inane/Ridiculous/Odd	35	16	13	5	38	11
Position or Association	4	2	39	17	43	9
Offensive/Annoying/Insulting	25	11	15	6	40	9
Idea/Joke Doesn't Work	18	8	15	6	33	7
Targeting	4	2	20	9	24	5
Spokespeople/Celebrities	13	6	8	3	21	5
Cliched/Stale/Old/Borrowed	11	5	9	4	20	4
Bad Taste (generalized)	10	4	6	3	16	4
Sexy/Gratuitous Sex	13	6	2	1	15	3
Puzzling/Confusing	8	4	7	3	15	3
Socially Irresponsible	10	4	4	2	14	3
Sexism/Stereotyping	12	5	0	0	12	3
Phoney/Unnatural/Insincere	12	5	0	0	12	3
Perverse/Kinky	3	1	4	2	7	2
Jingoism/Racism	5	2	2	1	7	2
Violence/Cruelty	6	3	1	0	7	2
Self Indulgent/Aggrandizing	4	2	3	1	7	2
Deceptive/Misleading	3	1	4	2	7	2
Boring/Unmemorable/Mediocre	4	2	2	1	6	1
Hype/Unbelievable	4	2	2	1	6	1
Negative/Mean Spirited	2	1	2	1	4	1
Sacrilege	1	0	1	0	2	0
Objectives/Motives	1	0	0	0	1	0

Table 2

The Typology of Bad Advertising

	Primary		Secondary		Total	
	n	&	*n*	%	*n*	%
IDEA/CONCEPT PROBLEMS	76	34	46	20	122	27
Dumb/Inane/Ridiculous/Odd	35	16	13	5	38	11
Idea/Joke Doesn't Work	18	8	15	6	33	7
Cliched/Old/Borrowed	11	5	9	4	20	4
Puzzling/Confusing/Irrelevant	8	4	7	3	15	3
Boring/Unmemorable/Mediocre	4	2	2	1	6	1
EXECUTION PROBLEMS	42	19	73	32	115	25
Production	8	4	57	25	65	14
Spokespeople/Celebrities	13	6	8	3	21	5
Unnatural/Phoney/Insincere	12	5	0	0	12	3
Deceptive/Misleading	3	1	4	2	7	2
Hype/Unbelievability	4	2	2	1	6	1
Negative/Mean	2	1	2	1	4	1
STRATEGIC PROBLEMS	20	9	76	33	96	21
Premise	7	3	74	32	81	18
Position/Association	4	2	39	17	43	9
Targeting	4	2	20	9	24	5
Self Indulgent/Aggrandizing	4	2	3	1	7	2
Objective/Motives	1	0	0	0	1	0
SOCIAL ISSUES	50	22	14	6	64	14
Sexy/Gratuitous Sex	13	6	2	1	15	3
Social Irresponsibility	10	4	4	2	14	3
Sexism/Stereotyping	12	5	0	0	12	3
Perverse/Kinky	3	1	4	2	7	2
Jingoism/Racism	5	2	2	1	7	2
Violence/Cruelty	6	3	1	0	7	2
Sacrilege	1	0	1	0	2	0
AUDIENCE REACTION	35	16	21	9	56	12
Offensive/Annoying/Insulting	25	11	15	6	40	9
Bad Taste	10	4	6	3	16	4

Table 3

Patterns of Emphasis in Bad Advertising

	Primary		*Secondary*		*Total*	
	n	*Rank*	*n*	*Rank*	*n*	*Rank*
Idea	76	1	46	3	122	1
Execution	42	3	73	2	115	2
Strategy	20	5	76	1	96	3
Social Issues	50	2	14	5	64	4
Audience Reaction	35	4	21	4	56	5

$X^2 = 31.97$, df = 4, sig. at .001

Appendix

The Language of Criticism of Bad Advertising

Samples of general commentary:

-offended the very races it was trying to inspire

-even more offensive dropping what little pretense the earlier ads had of being something other than sordid

-missed their sophisticated target by a mile

-seems to promise that alcoholism is no harder to get rid of than ring around the collar

-a little lift here and a neat tuck there can make life a dream

-a trio of trollops, first ultra-sultry sexpots in blonde curls and clinging white gowns, then vampy brunettes in black bodysuits

-couldn't think of an idea that had anything to do with the product, so tossed in sex

-this kind of thing will cease to have even shock value and marketers who've relied on such tricks will be left to whine about the demise of brand loyalty

-reminiscent of *Invasion of the Body Snatchers*

-gives prurience/decadence a bad name

-fuses violence with sex

-probably the most offensive campaign since the airlines came out with "fly me"

-shows a woman all trussed up--gets the human bondage award

-it's bad form to turn a child into a Pretty Baby--the little girl's pose--her bare, extended leg with an arched foot, her pouty mouth and direct gaze--can hardly be called innocent. Take a look at the chain draped over her thighs

-people don't think about product benefits while watching cinema derriere

-can't see the relevance of a woman in a straitjacket to this kind of product

-reinforces stereotypes about bitchy women and macho men

-flippantly recites politically correct aphorisms-- lines for a twenty something cocktail party

-laced with emotional triggers

-an ethnic slap in the face

-make elderly look foolish and stupid

-snooty self importance, smug yuppies

-the single least compelling and most forgettable slogan in the history of advertising

-unbelievable spokesperson for an unbelievable product

-pulled the spot in response to public criticism

-a sick play on deep-rooted human paranoia

-exercises the limits of doublethink

-empty-headed moral preening

-resentful whining of a pack of drudges

-the viewer's reaction is "ugh"

-the most wacky non sequitur of the year; goes beyond ordinary insanity

-transparent self promotion

-stammered and sputtered and didn't seem to know what to say to convince consumers

-unrelatistic conversation, pseudo-sophisticated byplay

Terms and Phrases:

absurd
adolescent
annoying
appeals to acquistiveness (materialism, conspicuous consumption,symbols of affluence), guilt
arrogant
artificial
atrociously fashioned
awful
bad
bad taste, lack of taste, tasteless, distasteful
banal
bizarre
boring
borrowed interest
bragging, brag and boast
brutal
buffonery
campy
careless
cheesy
cliched
cloying
confusing
contradictory
contrived
copycat
crass
credibility, hurts our confidence in the product, least credible
creepy
cruelty
cryptic: what's the point
cute: all-too-cute, cutesy-poo
dangerous, glorifies danger
death: violent death, slice-of death
decadent
deceptive
degrading
demeaning
denigrating
derivative
disappointing
disgraceful
dishonest
dud
dumb
egotistical
embarrassing
empty
exaggerated
excruciating
fails, failure
fakery
faux pas
flag waving
flippant
forced
forgettable
formulaic
fraudulent
generated hostility
glib
grating
grotesque
heartless
heavy handed
hokey
horrible
horrifying
hucksterism
hype, super-hype
icky
idea: didn't work, bad idea
illogical
impolite
inane
inappropriate
incomprehensible
indecent, sense of decency
indiscrete
ineffective
inept
insensitivity
insipid
insincere
insulting
irksome
irrelevant
irresponsible
irritating
jingoistic, zenophobic
judgment: lapse of judgment
kinky
kitschy
lame
lookalike
ludicrous
lunacy
makes no sense
masochistic
meaningless

mean spirited
mindless
misleading
mishmash
mistake
moralistic
morbid
nauseating
neanderthal
near-nudity
negative
nonsensical
not funny; joke didn't work
noxious
obnoxious
odd
offensive
off target
old
overexposed
painful
passe
pat solutions
patriotism, propoganda (mindless)
patronizing
perverse
phony
pointless
poking fun
prejudicial
pretentious
preys on consumers insecurities
prissy
propriety question
prurient
pseudo-sophisticated
racist
raunchy
reprehensible
ridiculous
ripoffs
sacrilegious
sado-masochist, torture
says nothing
scary
screw-ups
self-indulgent, self-aggrandizing
senseless; doesn't make sense
sexist
sentiment: overly sentimental
sexual exploitation, gratuitous sex,
  sexual posturing, sexually
  suggestive
shameless

shocking
sick
silly
smarmy, smirky
snobbery
sordid
spurious
stale
stereotyping
strained
superficial
tacky
threatening
tired
trickery
trite
trivializing
ubiquitous
unbelievable
unconvincing
unethicaly
uninspired
unmemorable
unnecessary roughness
unseemly
untruthful
uncomfortable, discomfort
unctuous
uninteresting
unnatural
unpleasant,unpleasantries
unrealistic
upsetting
unsubstantiated claims
vapid
violent
visual gimmickry
wacky, wacko
wearout
whiney
who cares
wimpy housewives
wince/cringe: makes you/me
  wince/cringe; makes my throat close
worrisome

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A LONGITUDINAL CONTENT ANALYSIS OF ENVIRONMENTALLY RELATED ADVERTISEMENTS IN CONSUMER MAGAZINES FROM 1966 THROUGH 1991

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ABSTRACT

This paper contains a longitudinal study of 25 years of environmentally related advertisements. The sample is drawn from six consumer magazines. A review of academic literature to date and a historical review of the environmental movement (included in the paper) led to three hypotheses concerning the frequencies, categories and environmental "buzzwords" found in environmentally related ads over the past quarter century. All three hypotheses were confirmed.

INTRODUCTION: A BRIEF HISTORY OF THE ENVIRONMENTAL MOVEMENT

The major focus of this research study is the appearance, frequency and type of environmentally related advertisements in consumer magazines during the quarter century 1966 - 1991. However, a brief history of the environmental movement is necessary as it contributes to an explanation of the time frame, hypotheses, methodology and probable causes of the results of the study.

The roots of the modern environmental movement can be traced back to land and wildlife conservation efforts and names such as Thoreau, Audubon, Muir and Leopold. It was not until 1962, however, when Rachel Carson's best selling book, *Silent Spring*, created public awareness and focused attention on environmental degradation caused by chemical and pesticide misuse.

Growing awareness and concern crystallized on Earth Day 1970, an event that marked the significant beginnings of the modern environmental movement (Hayes 1990). The event was the brainchild of Senator Gaylord Nelson (D-Wis), who first conceived of it as a series of environmental teach-ins on college campuses to harness the anti-establishment energies of college students. However, it snow-balled into an event in which over 4,000 college and community groups participated. Congress recessed for the day and some 20-25 million Americans participated (Cahn & Cahn 1985). The passage of the Clean Air and Clean Water Acts and the creation of the Environmental Protection Agency followed thereafter.

The growth of the environmental movement since then has not been steady; instead it has been more of a rollercoaster ride. Environmental matters were forced to compete with a host of other economic and social concerns for primacy and salience in the minds of Americans.

For example, the movement began to encounter resistance during the latter part of the decade (1976-79). Americans began to realize the huge costs of cleaning up the environment and that they would be footing the bill. Unemployment versus the environment was also an issue. For example, environmentalists attempted to ban construction of an oil refinery that would have produced 1,400 jobs in an area of Maine that had an unemployment rate of 20 percent. In addition, one survey showed that while in 1970 more than 25 percent of respondents made contact with an environmental group during the year; by 1980 only five percent had done so (Radcliffe & Gerlach 1981).

During the first half of the following decade (1980-85) the growth of the movement was slowed by the election of Ronald Reagan. The pro-business, anti-regulatory spirit of his administration was not conducive to the goals of environmentalism. The appointments of Secretary of the Interior James Watt and EPA Administrator Anne Burford signalled a direct confrontation between government and environmentalists. Interestingly, the anti-environmental policies pursued by the new Administration created a backlash that resulted in increased memberships and donations to environmental organizations at the grassroots level (Cahn & Cahn 1985).

The petroleum energy crisis of this period also played a mixed role in the environmentalists' fortunes. On the one hand, it provided a basis for James Watt's desire for offshore drilling. On the other hand, it impressed Americans, perhaps as never before, with the need to preserve natural resources. Indeed, the very battle between the Reagan Administration and the environmentalists heightened media coverage and drew more attention to environmental concerns.

During the latter part of the decade (1986-89) the movement gained momentum. The media carried an increasing number of stories concerning a broad range of environmental issues such as toxic waste disposal, deforestation, the ozone layer, air and water pollution, and recycling. Animals as obscure as the snail darter and the spotted owl became topics of common conversation. Growing media coverage suggested that environmental issues were interesting and important to the public.

The same coverage, in turn, had the agenda setting effect of increasing public concern. The public base of the movement broadened significantly. People who were neither radical "new ecologists" nor card carrying members of traditional organizations like the Sierra Club and the Wilderness Society became active and involved. Recycling is probably the single best example of this phenomenon.

Recycling increased dramatically during the 1980's. By the end of the decade 35 percent of all newspapers and 55 percent of all aluminum cans were being recycled (*Governing Guide* 1990). Manufacturers began to respond with products touted as environmentally safe and/or packaged in recycled (or recyclable) materials. Tampax's emphasis on its "comfortable, biodegradable applicator" and Lever Brothers' use of recycled plastic in its bottles serve as two examples.

Momentum continued to build as the nation entered the 1990's. On April 22, Earth Day 1990 was held and it proved to be more successful than the original was 20 years earlier. Millions of citizens participated in community and campus events. In Washington, DC, tens of thousands thronged the mall to hear speakers, attend workshops, sign petitions, listen to music and celebrate the earth. An idea that began in the anti-establishment disillusionment of the late 1960's had evolved, somewhat fitfully, into a full scale social movement.

A national survey in 1991 (*Environment Opinion Study*, Inc. 1991) showed that environmental problems ranked second (behind crimes/drugs) as the greatest threat to future generations. Survey respondents saw individual action as more important than federal regulation and said that they would purchase products with minimal environmental impact even if they were priced higher. This corresponded with the results of a Gallup Poll (*Gallup Poll Monthly* 4/90) that showed Americans were aware of a broad range of environmental issues, but were most concerned with those that affected them directly.

Manufacturers responded by increasing the rate of so-called "green" product introductions into the market and making environmental claims for existing products. Green product introductions increased at a rate 20 times faster than the over-all rate for new packaged goods (*Environment Opinion Study, Inc.* 1991).

Concerned about the validity of some of these environmental claims, ten state attorneys general studied the problem. Their work culminated in *The Green Report II: Recommendations for Responsible Environmental Advertising*. Two private organizations, Green Cross and Green Seal, were originated to test and certify products and claims of an environmental nature. The primary self-regulatory body of the advertising trade, the two-tiered National Advertising Division and the National Advertising Review Board, stepped up policing of environmental claims. The Federal Trade Commission issued its *Guides for the Use of Environmental Marketing Claims* in 1992 (*Federal Register* vol.77 No. 157 8/92). It appears that, at present, the environmental movement has reached a high tide and is having significant impact on the introduction, advertising and marketing of consumer products.

RECENT LITERATURE REVIEW

As stated, the purpose of this research is to study the number and type of environmental claims in advertising. Most of the literature on this topic has appeared in the last few years and is found in the advertising trade press. Articles now appear in virtually every issue of publications like *Advertising Age* and *Adweek*. The trade is clearly interested in the potentials and perils of environmentally related advertising. The best single example is a recent 12 page supplement (*Advertising Age* 6/29/92) that includes 12 articles on environmental advertising. As a mirror of the editorial matter, nine of ten ads in the supplement have environmental themes.

The academic literature relating environmental themes and advertising is both recent and spare. There have been some studies that have shed light on the broader area of consumer behavior in relation to the environmental movement. One early study sought to determine how environmental concern affected perceptions of brands (Kinnear & Taylor 1973). Van Liere and Dunlap (1988) have reviewed both hypotheses and evidence about environmental concern in society. Balderjahn (1988) has attempted to link personality factors and attitudes to environmentally responsible purchase behavior. Another study looked at voter behavior on a state container law (Crosby, Gill and Taylor 1981). Other studies have examined the relationship between race and environmental/ecological concerns (Murphy and Locander 1978, Taylor 1989, Cornwell and Schwepker 1992). One short, qualitative article suggested the incorporation of environmental themes in marketing debases and trivializes the larger social movement (Olney 1991).

There are some studies that directly relate advertising and environmental issues. Frith developed a continuum of ads ranging from those that emphasize valuing the environment to those that emphasize the exploitation of it and raised the question of whether marketers' interests resulted in progress or exploitation (Frith 1992). A study of television ads found significant agenda setting effects when the particular issue was both unobtrusive and concrete as in a test ad dealing with the protection of the rain forest (Jaw 1992). One small content analysis of 100 magazine advertisements classified environmentally related ads into four categories and found those that dealt with larger image orientation to be most prevalent (Carlson, Kangun and Grove 1992). Thorson and Page (1993) also looked at consumer responses in relation to four categories of environmentally related messages. Another study created a dichotomy: ads that depicted the environment as sickly versus those with more positive appeals (Obermiller 1993). Atwood (1993) analyzed key words and images in ads to ascertain their information value to consumers.

This academic literature to date is valuable. However, as might be expected in a field of interest only now emerging, it is fragmentary, incomplete and lacks cohesion. One criticism is that it lacks *historical perspective*. Some studies look at ads in different media, while others categorize different sorts of environmental appeals. However, no study to date has looked at environmentally related advertisements over the entire history of the modern environmental movement. The purpose of this study is to do so. This longitudinal data is original and deepens understanding in the subject area. Hopefully, its greater contribution is that it provides a historical foundation that gives perspective to and enriches other present and future studies.

THE PRESENT STUDY: RATIONALE AND METHODOLOGY

Research to date in the topic area and the qualitative historical analysis, presented in necessarily brief form at the beginning of the paper, combine to frame the present study and form the hypotheses. The uneven growth of the environmental movement to date suggests that environmental themes depicted in advertising probably occurred earlier than published research indicates. It also suggests that the ads oscillated in frequency. The historical analysis shows there have been periods of differing environmental concern. The period 1966-69 serves as a benchmark period before the emergence of the modern environmental movement. The two periods of 1970-75 and 1990-91 mark the high water years of the movement. Three other periods -- 1976-79, 1980-85, and 1986-89 -- are periods of intermediate but varying degrees of interest in the movement. A frequency count of ads and their representation as a percent of total ads during the aforementioned years is appropriate.

Studies to date and the historical analysis also suggest that there are different forms of environmentally related advertisements and that the frequency of these forms changes over time. As a result, four categories of environmentally related ads are used:

Product oriented advertisements -- The environmental claim is connected directly to the product or packaging in the ad. For example, Suave Hair Spray contains no chemicals harmful to the ozone layer.

Institution oriented advertisements -- The environmental claim is connected to the organization, but not their product. For example, a Dow Chemical ad that says it gave money to an environmental organization or a Chevron ad that describes how it saved a nest of owls.

Lifestyle oriented advertisements -- The environmental claim is not directly connected to the product or organization but to the lifestyle of the people depicted in the ad. For example, a Toyota Tercel ad shows a woman driving to a recycling center. It does not claim that the Toyota is environmentally friendly; it implies that environmentally aware people drive Toyotas.

Environmental organization advertisement -- Advertisements paid for by environmental groups. These could be public service announcements or membership recruitment ads.

In addition to the four categories, it is also desirable to look at the interior content of the ads. Pre-tests showed variations on the most common "buzzwords" to be an effective means of doing this. Ads with any form or variation of the words *environment*, *recycled/recyclable*, and *degradable/biodegradable* were coded for analysis.

The medium in which the advertisements appeared was also a consideration. Print media were considered superior because of their permanence and the ability to retrieve a 25 year sample. Media that were national and represented a wide range of reader demographics were desirable; newspapers were rejected because of their largely localized nature. Six magazines were chosen that were published during the quarter century of the study, are national, and, in composite, represent a very wide range of demographics. They are: *Good Housekeeping, Redbook, Reader's Digest, New Yorker, Time,* and *Harper's.* No claim is made that these are representative of all advertising in all media.

The frequency, categories and occurrence of "buzzwords" of environmentally related ads were subjected to a pre-test. Three people coded sample magazine issues. The range of agreement was 86 to 94 percent for the various factors. This was deemed to be an acceptable level of intercoder reliability.

The six magazines were sampled from the period January 1, 1966 through December 31, 1991. All advertisements one half page or larger in a given sample issue were coded and analyzed. Two issues of each magazine were selected (at six month intervals) per year. The first issue of the month was the criterion for weekly magazines. In the following year, sample issues were rotated down a month to randomize any seasonal influences. For example *Good Housekeeping* was sampled during January and July of 1966 and during February and August of 1967. *Redbook* was sampled during February and August of 1966 and March and September of 1967.

The length of the time period, the extensive sampling and factors coded produced a large amount of data. However, the nature of the data and the relative simplicity of the hypotheses do not require overtly elaborate statistical tests. Chi-square tests were employed to find significant differences within and among data sets.

HYPOTHESES

1. Over the quarter century of the study, the percentage of environmental ads in relation to total ads has oscillated and is highest in the two periods (1970-75 and 1990-91) that correspond with the periods in which the environmental movement had most momentum.
2. Among the environmentally related ads, the category of institution oriented ads will comprise the largest percent of all environmentally related ads. A sub-hypothesis is that there will be an increase in the percent of the product oriented ads during the chronology of the study.
3. The percent of ads that include the selected environmental "buzzwords" will be greatest during the two periods (1970-75 and 1990-91) that correspond with the periods in which the environmental movement had most momentum.

RESULTS

A total of 15,433 advertisements one-half page or larger appeared in the sampled issues of the six publications over the 25 year period of the study. Of those, 391, or 2.5 percent, were environmentally related. Some 48 percent of those were institution oriented. Another 36 percent were product oriented. Lifestyle oriented ads comprised 9 percent of the total and the remaining 7 percent were ads from environmental organizations.

The environmental "buzzwords" appeared in 126, or 32 percent, of the 391 "green" advertisements. Some form of the word *environment* appeared in 77, or 20 percent of the total. Variations on *recycle/recyclable* appeared in 32, or 8 percent of the total. Variations on the words *degradable/biodegradable* appeared in 17, or 4 percent of the environmentally related ads.

Table 1 displays the data for the percent of environmentally related ads for each of the 25 years of the study. The lines on the table delimit the six periods of varying momentum of the environmental movement. Figure 1 visually depicts the data in graph form.

TABLE 1

Percentage of Environmental Advertisements by Year

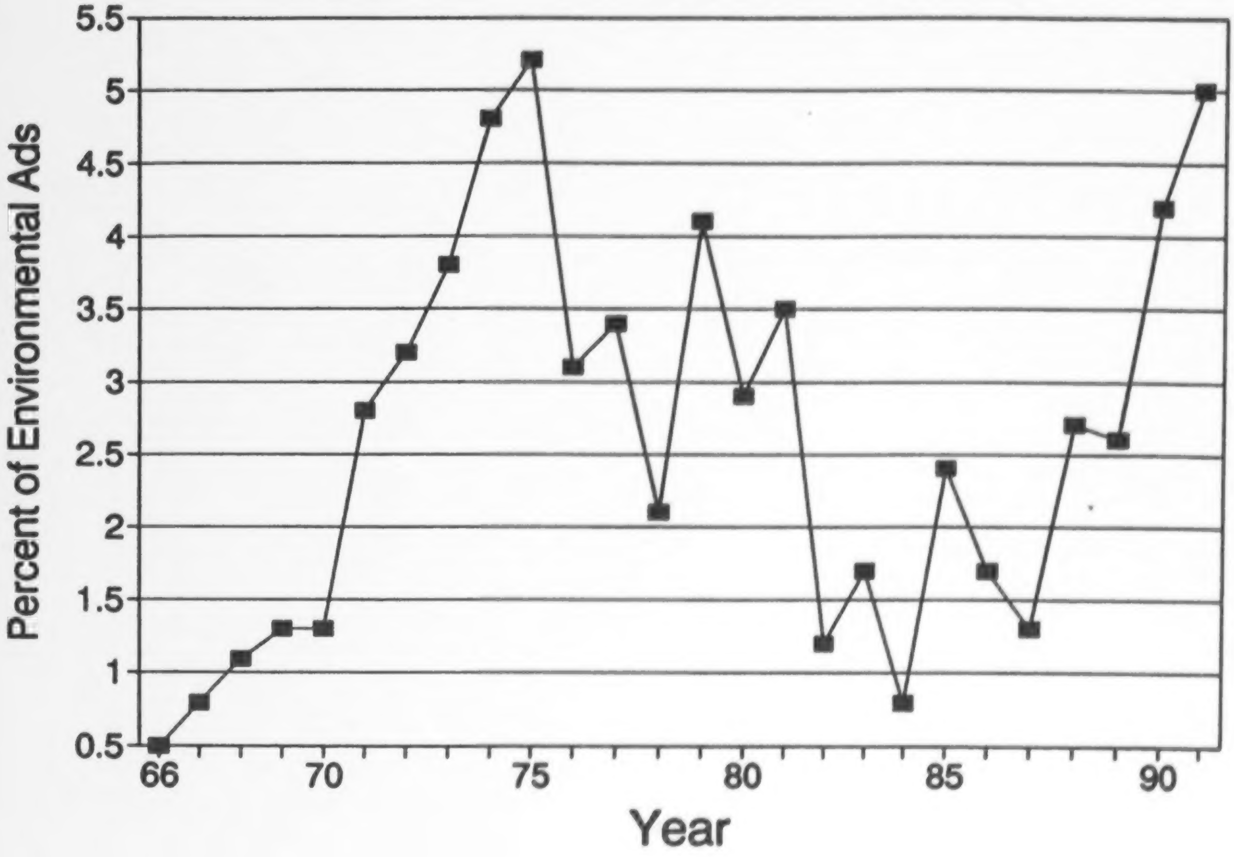
		Environmental Advertisements	
Year	N	No	Yes
1966	737	99.5%	.5%
1967	625	99.2%	.8%
1968	699	98.9%	1.1%
1969	612	98.7%	1.3%
1970	553	98.7%	1.3%
1971	545	97.2%	2.8%
1972	531	96.8%	3.2%
1973	531	96.2%	3.8%
1974	627	95.2%	4.8%
1975	523	94.8%	5.2%

TABLE 1 (continued)

Percentage of Environmental Advertisements by Year

Year	N	Environmental Advertisements No	 Yes
1976	782	96.9%	3.1%
1977	644	96.6%	3.4%
1978	665	97.9%	2.1%
1979	678	95.9%	4.1%
1980	678	97.1%	2.9%
1981	599	96.5%	3.5%
1982	585	98.8%	1.2%
1983	604	98.3%	1.7%
1984	593	99.2%	.8%
1985	542	97.6%	2.4%
1986	594	98.3%	1.7%
1987	558	98.7%	1.3%
1988	484	97.3%	2.7%
1989	529	97.4%	2.6%
1990	478	95.8%	4.2%
1991	436	95.0%	5.0%

Figure 1
Percent of Env. Ads by Year 1966-1991



None of the years in the benchmark period (1966-69) show more than 1.3 percent of the ads to be environmentally related. Three other periods of varying degrees of momentum (1976-79, 1980-85, and 1986-89) in the environmental movement are reflected by higher percents of environmentally related ads. However, the periods with the highest percent of "green" ads are 1970-75 when percents ran as high as 5.2 and 1990-91 when percents climbed as high as 5.0.

A chi-square test (chi-square = 112.2: $p<.001$: 25df) confirmed that there are significant differences among the data. The differing percents of environmentally related ads by year and period and the chi-square confirm the first hypothesis that the percent of environmentally related ads would oscillate by year and that the periods 1970-75 and 1990-91 would have the highest percent of such ads. Again, this correlates with the two periods in which environmental momentum was greatest. However, this is not a statement of causality. Although there are significant differences in the data, it is impossible to link this to the qualitative historical analysis in a cause and effect manner.

The second hypothesis was also confirmed. Data relating to two of the four categories of environmentally related ads are shown in Table 2 and visually displayed in Figure 2. Data for lifestyle oriented and environmental organization ads are not displayed for two reasons: (1) the hypothesis only related to institution and product oriented ads; and, (2) when the 64 lifestyle and environmental organization ads were separated into the six chronological periods, the numbers in the cells were too small for tests of significance.

TABLE 2

Product and Institution Oriented Advertisements by Period

Year	N	Orientation	
		Product	Institution
1966-1969	24	12.5%	87.5%
1970-1975	95	36.8%	63.2%
1976-1979	80	47.5%	52.5%
1980-1985	66	42.4%	57.6%
1986-1989	29	48.3%	51.7%
1990-1991	33	63.6%	36.4%
TOTAL	327	42.5%	57.5%

Figure 2
Product and Institution Ads by Period

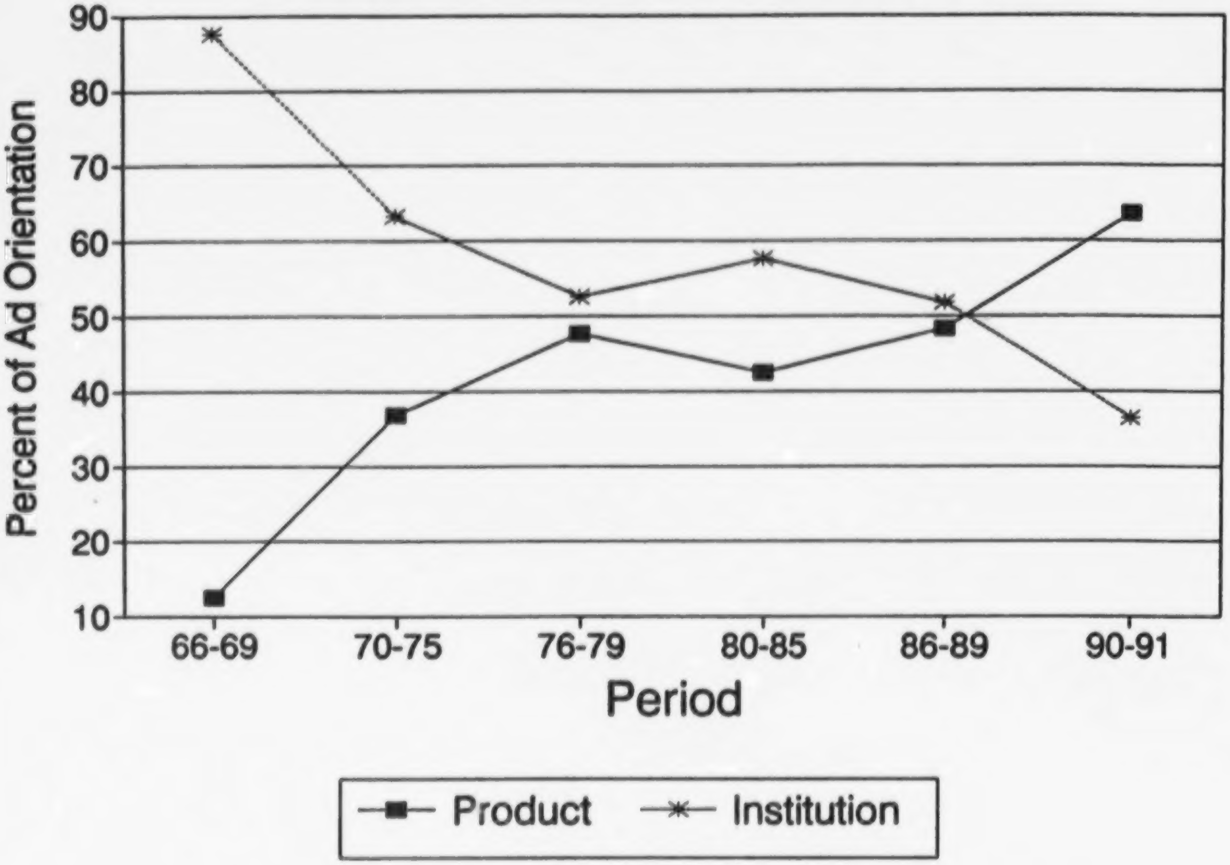


Table 2 shows the percent relationships between the 327 ads that had either an institution or product orientation. As predicted, institution oriented ads dominated (57.5 percent) over product oriented ads (42.5 percent). A chi-square (chi-square = 17.3: $p<.001$: 5df) confirmed this difference was not due to chance.

The sub-hypothesis that product oriented ads would increase with passing years is also confirmed. Indeed, in the most recent period of the study, the number and percent of product oriented ads surpassed those in the institution oriented category. The reasons behind the generation of this sub-hypothesis were the recent social concern for recycling and the rapidly increasing number of green product introductions and marketing efforts. This is a probable cause of the increase in product oriented environmental ads. However, as stated before, not statement of strict causality between the two can be made.

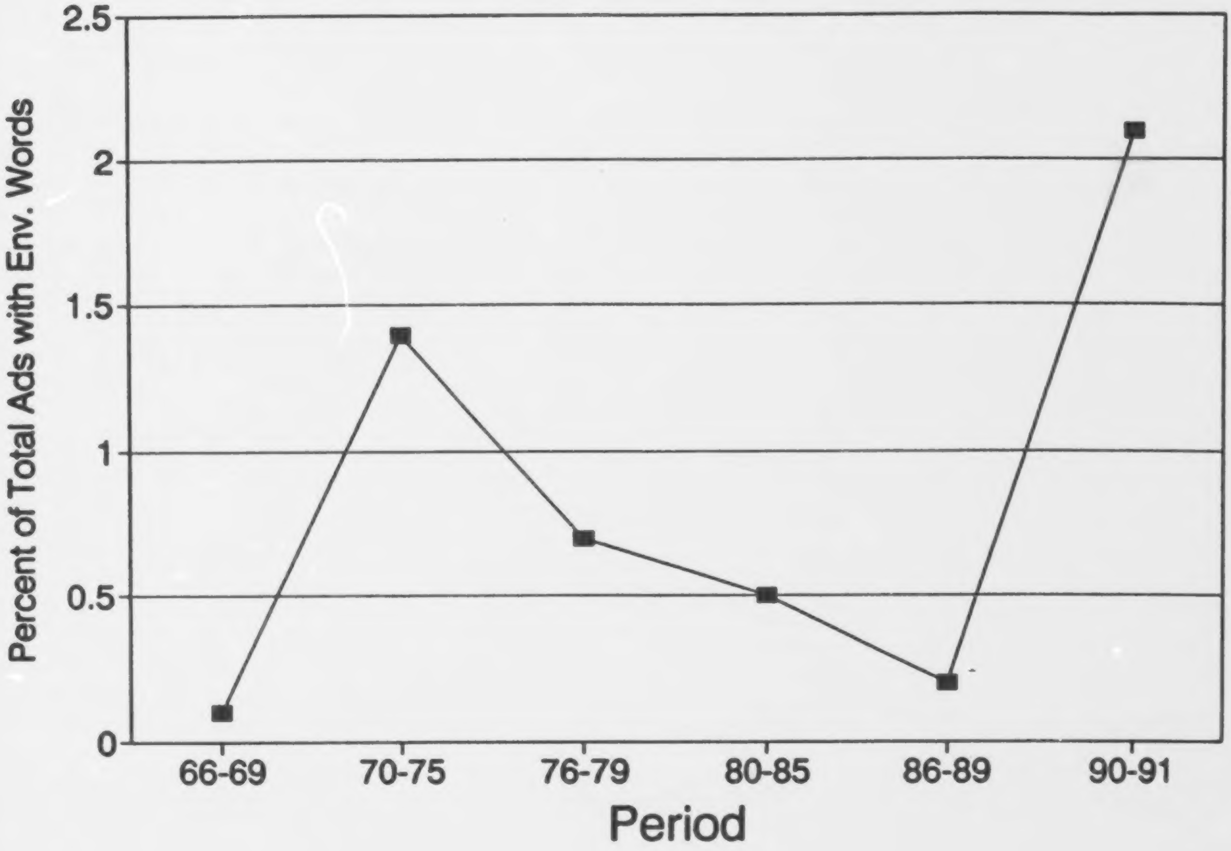
The third hypothesis dealt with the content of environmentally related ads. It predicted that the periods of 1970-75 and 1990-91 would have the greatest percent of ads that included one or more of the three environmental "buzzwords". Data included in Table 3 and displayed in Figure 3 confirm that there are differences in the percent of ads that include these words by period and that 1970-75 and 1990-91 are the periods of highest occurrence. Indeed, the occurrence of ads with these words is over 20 times greater during 1990-91 than in the benchmark years of 1966-69. The data and significant chi-square (chi-square = 71.4: $p<.001$: 5df) allow confirmation of this hypothesis.

TABLE 3

Percent of Total Advertisements with Environmental Words by Period

Year	N	Words	
		No	Yes
1966-1969	2673	99.9%	.1%
1970-1975	3310	98.6%	1.4%
1976-1979	2769	99.3%	.7%
1980-1985	3601	99.5%	.5%
1986-1989	2165	99.8%	.2%
1990-1991	915	97.9%	2.1%
TOTAL	15,433	99.3%	.7%

Figure 3
Total Ads with Env. Words by Period



SUMMARY AND CONCLUSIONS

Interest in the topic of environmentally related advertising has been increasing in recent years and is reflected in a growing number of articles in the trade press and academic journals. A review of this literature coupled with a historical review of the long and uneven growth of the environmental movement led to three hypotheses that focused on environmentally related advertising over a 25 year period. The results confirmed the hypotheses. They show that environmentally related advertising has been occurring in magazines for at least 25 years, that the percent of these ads has oscillated and that the periods 1970-75 and 1990-91 have the highest percent of "green" ads. The occurrence of environmentally related words in ads shows the same pattern. When ads were categorized, institution oriented ads dominated, but product oriented ads have become more prevalent in number and percent and are now the most commonly occurring category of environmental ads. Ads with lifestyle orientation and those placed by environmental organizations comprise a much smaller percent of the total.

The probable explanation behind the data lies in the evolution of the environmental movement. Although no statements of causality are permitted, there is a very high degree of synchronicity between the ebbs and flows in the popularity of environmentalism and the appearance, frequency and type of environmental ads. Other work, both quantitative and qualitative, has suggested that advertising is a somewhat imperfect but relatively accurate mirror of society. This study furthers that view.

There is much more to be done in the area of environmentally related advertising. This research could be replicated using another medium; inter-media analysis could also be done. More work remains to be done in content analysis and categorization. Two other areas of research full of possibility are effects oriented studies and ones that deal with the regulation of claims in advertisements. Both would be of interest to practitioners as well as academics.

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The Relative Constancy Hypothesis, Structural Pluralism and National Advertising Expenditures

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Abstract

It was hypothesized that, contrary to the relative constancy hypothesis, expenditures on advertising as a proportion of the national income would increase during the 19th century, and that structural pluralism, not just national income, would predict absolute changes in advertising expenditures. The primary logic behind these hypotheses is that the need for information grows as a social system becomes more structurally complex, and that general economic conditions alone is insufficient to explain changes in relative and absolute spending. Time-series analysis of aggregate level data generally support the hypotheses. Relative spending as a proportion of the GNP increased during the late 19th and early 20th centuries and absolute spending on advertising increases exponentially as pluralism increases.

The Relative Constancy Hypothesis, Structural Pluralism and National Advertising Expenditures

In 1972, mass communication researcher Maxwell E. McCombs coined the relative constancy hypothesis, which posits that the amount of money consumers and advertisers spend on the mass media products and services remains relatively constant over time and that change in the absolute amount of spending is determined primarily by the general state of the economy, not competition or technological changes within mass communication industries. After examining some empirical data covering the period 1929 to 1968, McCombs (1972) concluded that "the Principle of Relative Constancy is both a reasonably accurate and useful organizing principle. ... Minimally, it challenges others to put forward a more accurate and useful conceptualization of behavior in the mass media marketplace" (p. 30).

Since 1972, a handful of other studies have tested the relative constancy hypothesis. Findings, which are reviewed subsequently, are mixed. However, no researcher, to the knowledge of this author, has attempted to develop and test an alternative explanation for changes in media spending. The purpose of this study is to provide such a model. More specifically, two arguments will be made. The first is that there is no theoretical reason to justify the argument that spending on mass media should remain relatively constant through time, even if empirically it has been that way. The second argument is that the absolute amount of money spent on media is affected by changes in the complexity of a social system (i.e., structural pluralism), not just changes in the general economy. These hypotheses are tested using aggregate-level data on advertising expenditures during the 19th and 20th centuries.

The Relative Constancy Hypothesis

McCombs developed the relative constancy hypothesis after reading an article published in 1965 by Charles E. Scripps, former chairman of the board of Scripps-Howard Newspapers, who observed that

> in spite of the increasing complexity of mass communications with the advent of new media, the pattern of economic support has been relatively constant, and more closely related to the general economy than to the various changes and trends taking place within the mass media field itself (cited in McCombs, 1972, p. 5).

McCombs interpreted this and other comments in the article to mean that

> a relatively constant proportion of the available wealth — Gross

> National Product, for example — will be devoted to mass media. When they have more money, consumers and advertisers will spend more on mass media. When they have less, they will spend less on mass media. The important point is that this ebb and flow follows the general economy, not the competition and technological changes within mass communication industries. ... Some gain, so others must lose, because no new money is diverted from other sectors of the economy (pp. 5-6).

It is important to point out that there are two separate hypotheses in this statement. The first refers to relative changes in media spending and is descriptive: *The relative amount of money spent on the mass media by consumers and advertisers will remain constant over time.* The second refers to absolute changes in spending and is explanatory, or causal: *The greater the personal income, the greater the absolute amount of money spent on mass communications.*

McCombs argued that the amount of money spent on mass media remains constant over time primarily because time and money are scarce resources.

> For a time the consumer can increase the amount or number of goods enjoyed per time unit. He sips his martini, scans his newspaper and listens to the stereo simultaneously. But there must be some limit. ... The Principle of Relative Constancy describes a major economic constraint on the growth of the media in the marketplace over at least the past 40 years. But even with continued economic growth, mass media consumption may reach asymptote, with the ultimate constraint likely to be scarcity of time. For the immediate decades ahead, these two factors — time and money — will jointly constrain the growth of mass media in the marketplace (pp. 62-63).

To test the relative and absolute constancy hypotheses, McCombs collected data on the amount of money consumers and advertisers spend on mass media products and advertising in the United States over a 40-year period (1929-1968). He found that total consumer spending for media did not change significantly when controlling for inflation, population growth and real increases in personal income due to economic growth. For example, in 1929, spending on mass communications represented 3.46 percent of total consumer spending, compared with 3.04 percent in 1968. Although total consumer spending on mass communications declined slightly as a percentage of three key indicators — Gross National Product, average personal income per household and total recreation spending —

McCombs concluded that "some of the apparent decline may be artifactual. Much of the growth in GNP, for example, is attributable to mass government spending for defense and space exploration" (p. 22).

McCombs also examined total spending on advertising from 1929 to 1968 and found that they covary strongly with consumer expenditures. In addition, despite the growth of television advertising, the amount spent on advertising in terms of actual dollars and actual dollars per household remained relatively constant. However, there was one exception to the rule: When both advertising and GNP were stated in constant dollars per household, a moderately positive trend emerged; that is, the proportion of money spent on advertising in constant dollars per household increased. He concluded that

> ... while it is impossible to say unequivocally that the level of advertising support for mass communication is fully determined by the level of the general economy, it is obvious that a significant economic constraint does affect the mass media marketplace. For total spending on mass communication (consumer plus advertiser spending), the Principle of Relative Constancy is both a reasonably accurate and useful organizing principle (p. 30).

Since 1972, a handful of other studies have tested the relative constancy hypothesis.[1] Findings are mixed.

Robinson and Jeffres (1979) reported that from 1965 to 1975 the proportion of GNP spent on mass media rose from 2.7 to 3.2 percent and the proportion spent on recreation increased from 6.0 to 6.8 percent. They concluded that "while these shifts are not of sufficient magnitude to refute McCombs' economic constancy hypothesis," the increases are consistent with other data which suggests that the amount of free time that people have is increasing (pp. 21-22). Their data also showed that although time spent with newspapers and other printed media had declined, time spent with television rose dramatically, with the net result that total time spent with mass communications has increased.

McCombs and Eyal (1980) extended the original McCombs' data to cover the years from 1968 to 1977. Contrary to the relative constancy hypothesis, they found that constant dollars spent per household on mass communication declined modestly when controlling for inflation, real economic growth and population growth. However, as a percentage of either total income expenditures, average personal income per household, or total recreation expenditures, "spending on mass communication is highly consistent across the decade, resulting in trend measures very close to zero" (McCombs & Eyal, 1980, pp. 157-158).

Blankenburg (1981) reasoned that if demand for newspapers is relatively constant, as would be expected under the hypothesis of relative constancy, then total circulation in a market should be unrelated to the number of dailies published in that market when controlling for number of households. However, using a one-tailed test of significance, his data showed that circulation was slightly higher in areas where there were more dailies. He concluded that "the proposition of no effect on total circulation by number of dailies is only marginally tenable at this time" (p. 548).

Wood (1986) extended the data from the original McCombs' study to 1981, but he used disposable personal income rather than personal income as a control and explanatory variable, arguing that it was a better measure because, as an after-tax measure, it takes the actual amount available for spending and saving (p. 44). He also pointed out that partial correlation analysis, which had been used in some previous studies, was inappropriate when using time-series data because it fails to control for autocorrelation, or serial dependence of the observations. Nevertheless, even after correcting for the problem by using a maximum-likelihood regression procedure he found some support for the relative and absolute hypotheses. Consumer spending on the media did not increase or decrease significantly over the entire time 60-year time period, and absolute changes in disposable personal income was a good predictor of changes in the absolute amount of money spent on mass communications.[2] However, Wood did find that relative spending declined significantly during the 1930s, increased significantly during the 1940s, and declined slightly when examining the period from 1929 to 1977.

Wood and O'Hare (1991) extended Wood's dataset to the year 1988 to study the development of new video technology and cable television on media spending. Consistent with Wood's previous study, they found that although consumer spending over the entire time period remained relatively constant, there were several departures from constancy when shorter time periods were examined. In particular, they found a dramatic upturn in consumer spending during the 1980s.

> The data for 1979-1988 show that new technologies entered the mass media market, attracted significant consumer spending, and did not displace or endanger older technologies. It is possible that the dramatic upturn in consumer spending ... marks the beginning of a long-term departure from constancy (p. 30).

In a recent review of the literature, McCombs and Nolan (1992) recommend that researchers focus on the question of whether these apparent departures from a pattern of relative constancy are short-term aberrations or permanent changes in consumer behavior. They argue that the empirical evidence overall suggests that mass communication expenditures "maintain a point of equilibrium over long periods of time despite major changes in the general economy and major changes in the mass media marketplace. ... The value of this theoretical benchmark is that it does alert us to (potential) departures from equilibrium" (pp. 49-50).

In sum, the empirical literature provides mixed support for the relative constancy hypothesis. Long-term trend analyses suggest that spending remains relatively constant, but short-term studies often show increases or decreases in spending.

Criticisms of the Relative Constancy Hypothesis

The notion that changes in the absolute amount of money spent on mass communications will covary with changes in the absolute amount of personal or disposable personal income is logical. People can't spend money they don't have, and when they have more the probability increases that they will spend more on mass communications. However, two major criticisms may be directed at the relative constancy notion.

The first and most obvious concerns the argument that the proportion of income spent on mass communications remains fixed over time. While it may be true that the proportion spent has remained relatively constant during the 20th century, a longer historical view would suggest that it has increased. The reason is simple: For all practical purposes, only during the 19th and 20th centuries have consumers and advertisers spent money on mass communication, because mass media were not available before then. Mass media are the product of a modern society. Thus, a long-term view would suggest that relative spending has increased, albeit the trend need not take a monotonic form.

The second criticism deals with the assumption that time spent with mass media is limited or asymptote. Time is a limited resource, to be sure, but there is little evidence to suggest that time spent with media has reached a threshold or has remained fixed or stagnant. The amount of time that people spend with mass media clearly has increased since the 19th century, and since the introduction of television, total time spent with mass media has increased dramatically (see, e.g., Robinson & Jeffres, 1979). Research also suggests that the amount of free time a typical person has available increased during the last couple of decades (Hamilton, 1991). But even if free time has not increased, the amount of time people spend with mass communications is likely to have increased because people at work today spend more time with formal media than ever before. Thus, if one assumes that consumers who spend more time with mass communications also generally spend more money, then one would expect that the relative and absolute amount of money spent on mass communications should have increased as well.

Structural Pluralism and Media Spending

In contrast to the relative constancy notion, the theoretical position taken in this paper is that there is no reason why relative spending should remain flat over long periods of time. In fact, if prices for media remained constant over time, the relative amount of money consumers and advertisers spend on mass communication in the United States would be expected to increase when taking a long-term historical view. The increase would be expected because the need for information and time spent with mass media increase as a social system become more complex. However, prices for media do not remain constant over time. Changes in technology, the amount of competition in the marketplace, economic conditions (e.g., depression), and political conditions (e.g., war) all affect the level of relative spending, and because of this the relative amount spent often does not covary with time spent.

During a depression or war, for example, social actors might be expected to divert spending temporarily away from advertising and other activities considered less crucial to resolving the economic or political crisis. When new technology is first introduced (e.g., cellular phone), it is often expensive, which can have the consequence of increasing relative spending. This is what occurred with television in the early 1950s (McCombs, 1972) and the new video technologies during the 1980s (Wood & O'Hare, 1991). But, as other competitors enter the field, the costs often decline sharply, which in turn may lower the relative amount spent on media. Another possible scenario is that income may rise faster than the cost of mass communications. Mass production and increased productivity has lowered the costs of many products relative to total income. Wood and O'Hare (1991, p. 29) found, for instance, that even though the proportion of consumers' income spent on print media generally declined during the 1980s, real consumer spending increased. Thus, it is possible that over the long run absolute spending on media can increase while relative spending may decline. In short, changes in technology, the amount of competition in the marketplace, economic conditions (e.g., depression), and political conditions (e.g., war) make it difficult to predict any long-term trend in relative spending.

On the other hand, in terms of absolute spending, one would expect that changes in general economic conditions (e.g., income) would be related to spending on mass communications over time. Specifically, the more money available, the greater the spending. However, the position taken here is that general economic conditions alone are insufficient to explain changes in actual dollars spent. Absolute spending also depends on the level of complexity in a social system; that is, as a system becomes more pluralistic, spending increases. Actual spending goes up because the need for information increases as a social system becomes more complex. Social actors in urban, industrial societies depend heavily on mass media for performing their roles and achieving their goals (see, e.g., Ball-Rokeach & DeFleur, 1976; DeFleur & Ball-Rokeach, 1989; Demers, 1992; Tichenor, Donohue & Olien, 1980; Donohue, Tichenor & Olien, 1973).

In contrast, nearly all of the activities crucial for maintaining a small, homogenous system can be accomplished through interpersonal communication. Most social and economic activities take place within a few basic types of organization, such as the extended family and the community. Such organizations are multipurpose — they serve a number of different functions for the social system. The economic and social division of labor is limited. Group solidarity and homogeneity in shared sentiments and values is high. Competition between social actors for scarce resources (economic, social and political) and social conflict are limited.

In contrast, as a social system grows and differentiates, socially and economically, interpersonal communication as the sole basis for social organization becomes inadequate. The primary reason is that it is inefficient. In large organizations, it is impossible for even one individual to communicate personally with all others on a regular basis. But even if interpersonal communication on a grand scale were possible, such communication could not, by itself, deal with the problems of coordination and control that accompany growth in the social division of labor and role specialization (Smith, 1952; Durkheim, 1985; Spencer, 1897). For a complex economic and social division of labor to exist, various functions and jobs must be coordinated and standardized, and to bring this about, social actors have created and rely heavily on formal, secondary sources of information and communication.

The types of secondary sources and media employed depend in part on the level of analysis. Within organizations, such sources include, but are not limited to, the development of formalized goals and policy statements, written rules and procedures, job descriptions, inter-department memos and letters, bulletin boards and internal newsletters. Within industry segments, specialized media, such as magazines and newsletters, have emerged to address management problems and changes within industries. And within communities or social systems as a whole, mass media, including newspapers, television and radio, offer entertainment programming and information about system-wide problems and issues that cuts across organizational boundaries and subsystems (Donohue, Tichenor & Olien, 1973). Although the types of media and content may vary considerably within and between levels, in all cases, they perform one similar function: They link social actors to one another, reducing social distance and enabling them to accomplish their goals more effectively and efficiently.

Historically, the emergence of the modern newspaper and other mass media is directly tied to the growing demands for information brought on by urbanization and industrialization. The pioneer farm typically produced most of the food, clothing and other goods and services it needed for everyday life — it was a relatively autonomous social unit. Mass media were not crucial for maintaining such systems. Urban residents, in contrast, depend heavily upon other individuals and organizations for food, clothing, shelter, public services, such as water and police protection, and other basic necessities of life. And to meet the needs of daily life, they rely heavily on newspapers and other mass media (Park, 1923).

Urbanization also means that collective cooperation is necessary to deal with crime, poverty, waste disposal, public health, pollution, land control, and other social problems. Political elites — who have most of the power for dealing with such problems — depend heavily upon the mass media for information to help them make policy decisions. They also rely upon the media to help generate political support from other elites and the public for the decisions they make. Media coverage helps to legitimize such actions, while at the same time conveying the notion that the citizenry in general plays a major role in the decision-making process (see, e.g., Fishman, 1980; Gitlin, 1980; Paletz & Entman, 1981; Tuchman, 1978).

Industrialization also requires that people work together, but for a different purpose: to produce products and services for sale in a market that ultimately earns a profit for the business firms. Manufacturers need access to large, heterogenous markets, and one efficient method for reaching such markets is through advertising. The dramatic growth of the newspaper in the 19th century, particularly the penny press, is directly related to the growth of advertising in the private sector (Schiller, 1979). News about markets, politics, and natural disasters also is crucial for running a profitable business. Business managers constantly monitor their economic and political environments to adapt to changing conditions and to lobby for change when necessary.

In sum, as a system becomes more pluralistic, the need for information does not remain stagnant — it grows — and the number of organizations producing mass-mediated messages also grows. These two factors mean that consumers and advertisers will increase the absolute amount of money they spend on mass communications, but relative spending may vary considerably with changes in the economy, the market, political conditions and technology. More formally, one might expect that:

H1: The relative amount or proportion of the national income spent on advertising in the United States will increase during the 19th century, but no long-term stationary trend is necessary.

H2: The greater the change in national income, the greater the change in absolute amount of money spent on advertising.

H3: The greater the change in structural pluralism, the greater the change in absolute amount of money spent on advertising.

From hypothesis #2 and #3, it may also be deduced that:

H4: The greater the change in structural pluralism, the greater the change in national income. While this relationship can be considered nonrecursive, pluralism is the more fundamental variable, since, as Marx (1987) and Durkheim (1985) pointed out, growth in the size of a social system is necessary for the economic and social division of labor to emerge. Growth increases competition for limited resources, and the division of labor, which increases productivity (and income), is one solution to this problem.[3]

Method and Measures

Two datasets are employed in this study: (1) the Decennial Dataset, which contains data measured at 10-year intervals from 1850 to 1990, for a total of 15 observations, and (2) the Yearly Dataset, which contains data measured at yearly intervals from 1929 to 1989, for a total of 61 observations.

The dependent variable is national advertising expenditures, recorded in millions of dollars. The data were collected by Robert J. Coen of McCann-Erickson, Inc., from information furnished by the American Newspaper Publishers Association, A. C. Nielsen Company, Publishers' Information Bureau, Farm Publication Reports, Inc., the Direct Mail Advertising Association, A. R. Venezian, Outdoor Advertising, Inc., and the Federal Communications Commission (Coen, 1987; U.S. Bureau of Census, 1975). The values include the cost of preparation, cost of talent in the case of radio and television, and the cost for space and time. Data on advertising expenditures are available for the entire time series.

In the Yearly Dataset, national disposable income was used as a measure of general economic conditions, the first independent variable. National disposable income is recorded in actual billions of dollars and was obtained from U.S. government documents (U.S. Department of Commerce, 1986; U.S. Department of Commerce, 1989). In the Decennial Dataset, Gross National Product was used as a measure of general economic conditions, since national disposable income data were not available for the 19th century. GNP is recorded in actual billions of dollars and was taken from the *Economic Indicators Handbook* (Darnay, 1991). GNP data for 1880 and 1870 were interpolated from 10-year trends, and for 1860 and 1850 were estimated because records do not go back that far.

Structural pluralism may be formally defined as the degree of differentiation along institutional and specialized interest groups lines (Tichenor, Donohue & Olien, 1980, p. 16). Structural pluralism in the Decennial Dataset was an index composed of three indicators: (1) total U.S. resident population, (2) the number of civilians employed in nonagricultural jobs, and (3) the number of cities with 100,000 population or more. To create the index, the items were standardized and summed, and a constant of 10 was added to eliminate negative values. The data were obtained from U.S. government documents (U.S. Bureau of Census, 1975; U.S. Bureau of Census, 1970-1991). For the Yearly Dataset, structural pluralism was an index composed of the first and second measures listed above: resident population and nonagricultural civilian employment. No measures of urbanization were available on a yearly basis. Similar measures of pluralism have been used in previous studies (see, e.g., Olien, Tichenor, Donohue, Sandstrom & McLeod, 1990).

To control for autocorrelation, exact maximum-likelihood regression is employed in the analysis (see Kohn & Ansley, 1986).

Findings

H1: Relative Spending Over Time

The data support the first hypothesis, which posited that the proportion of national income spent on advertising would increase during the 19th century. Figure 1 shows that from 1850 to 1920 the percentage of the GNP spent on advertising increased from about 0.36 to 3.20. Model #2 in Table 1 shows that this increase is statistically significant when controlling for autocorrelation. A 10-year change produces about a .046 percent increase in advertising expenditures as a percentage of the GNP. Models #1 and #3 in Table 1 indicate, however, that relative spending, which declined dramatically after 1930, shows no long-term trend. Neither of the slopes in the regression models which cover the period from 1850 to 1990 or from 1870 to 1990 is statistically significant.

Insert Figures 1 and 2 and Table 1 about here.

Figure 2 also shows that when advertising expenditures are taken as a percentage of the national disposable income (NDI), there is no significant trend on a yearly basis from 1929 to 1989. However, within that time span, there are several mini-trends. From 1929 to about 1941, relative spending declined dramatically, going from more than 4 percent to less than 2 percent. Spending remained low during World War II but rose quickly in the years that followed, leveling off at about 3.3 percent during the late 1950s. During the 1960s relative spending generally declined, reaching a low point of 2.5 percent in 1975. In 1976, relative spending began to increase again, peaking in 1987 at 3.5 percent and declining slightly in the last two years.

Model #4 in Table 1 shows that over the 61-year period relative spending remained relatively constant — the trend line is not statistically significant. But Models #5 through #8 show that relative spending increased and decreased significantly during each of the four mini-trend periods. For example, from 1929 to 1941, spending declined about one-tenth of a percent each year ($b= -0.109$). What is responsible for these trends?

The dangers of ex post facto hypothesizing are well recognized, but one might conjecture that the depression was responsible for the first declining trend. During the 1930s companies devoted resources to matters other than advertising (e.g., paying salaries, debts, etc.). Conversely, prosperity and increased competition may account for the relative increases in advertising spending during the 1940s and 1950s. The declining trend during the 1960s is more difficult to explain — increased government spending as a result of the Vietnam War and social programs may be partly responsible. And the increasing trend in the late 1970s and 1980s may stem from the introduction of new technologies, such as the expansion of cable television, which attracted new advertising dollars to the marketplace (Wood & O'Hare, 1991). In short, changes in technology, competition, and economic and political conditions may account for changes in relative spending throughout the 20th century.

H2: Income and Absolute Spending

The data support the second hypothesis, that the greater the change in national income, the greater the change in actual dollars spent on advertising. Scatterplots (not presented) showed that the relationship between advertising expenditures and income (GNP in the Decennial Dataset and NDI in the Yearly Dataset) is linear. However, scatterplots of the residuals from regression analyses revealed that several regression assumptions, including normality, nonautocorrelation and constant variance, are violated when using the raw values. In both datasets, log transformations corrected for the problems. In the Yearly Dataset, lagged values of the independent variables (t-1) also were used since the effect of income on spending is not likely to be instantaneous, but rather determined by the previous year's income. The results are shown in Models #1 and #4 in Table 2.

Insert Table 2 about here.

In the Decennial Dataset (1870-1990), the results show that a one percent change in GNP produces a 1.11 percent increase in advertising expenditures. This result is nearly identical to the finding in the Yearly Dataset, which shows that a one percent change in NDI produces a 1.02 percent increase in advertising expenditures. Both results are significant at $p<.001$ level.

H3: Pluralism and Absolute Spending

The data also generally support the third hypothesis, which posited that the greater the change in structural pluralism, the greater the change in absolute amount of money spent on advertising. One modification is that the relationship is nonlinear — spending increases as pluralism increases but at an increasing, or exponential, rate. Log transformations of the variables linearized the relationship and also corrected for problems of non-normality, heteroskedasticity and autocorrelation. The regression results are presented in Models #2 and #5 in Table 2.

In the Decennial Dataset, a one percent increase in pluralism produces nearly a 25 percent increase in advertising expenditures. The effect is somewhat smaller in the Yearly Dataset, where a one percent increase in pluralism produces about a 13 percent increase in expenditures. Both results are highly significant ($p<.001$). However, a comparison of the standard error of the regressions in both datasets, a measure of goodness of fit, indicates that in the Decennial Dataset, GNP fits the data better than pluralism (.327 vs. .447), and in the Yearly Dataset, NDI and pluralism are equivalent (.078 vs. .078).

To assess the relative importance of the explanatory power of each independent variable, multiple regression was performed. The results are shown in Models #3 and #6. In the Decennial Dataset, the effects of pluralism wash out when controlling for GNP. The unstandardized coefficient drops from 24.94 ($p<.001$) in the bivariate regression to 2.53 ($p>.05$). The coefficient for GNP remains significant ($b=1.21$, $p<.05$). However, in the Yearly Dataset, NDI and pluralism both retain their explanatory power, though in both cases the unstandardized values declined by about 50 percent (from 1.02 to .54 for NDI and from 13.31 to 6.37 for pluralism). The fit of the multivariate model also is slightly better when compared with the bivariate models (.074 vs. .078).

H4: Pluralism and Income

The data also support the fourth hypothesis, which expected that the greater the change in structural pluralism, the greater the change in national income. Scatterplots (not shown) revealed that the relationship also was nonlinear, with income increasing exponentially as pluralism increases. Table 3 shows that a one percent change in pluralism produces about a 23 percent increase in GNP (Decennial Dataset) and a 13 percent increase in NDI (Yearly Dataset). These findings suggest that income mediates all or part of the effects of pluralism on advertising expenditures.

Insert Table 3 about here.

Summary and Discussion

This study examined changes in national advertising expenditures, both relative and absolute, during the 19th and 20th centuries. It was hypothesized that, contrary to the relative constancy hypothesis, expenditures on advertising as a proportion of the national income (i.e., GNP) would increase during the 19th century, and that relative spending would not necessarily remain constant throughout the 20th century. It also was hypothesized that pluralism, not just national income, would predict absolute increases in advertising expenditures, and that pluralism would predict income levels. The primary logic behind the hypotheses is that the need for information grows as a social system becomes more structurally complex. Relative spending also is a function of a number of factors, including income, competition, technology and political conditions, none of which can be predicted with much accuracy.

Decennial and yearly data generally support the hypotheses, with two major modifications. The first is that absolute spending on advertising increases exponentially as pluralism increases. This may be interpreted as empirical support for the "information explosion." The second is that, in the Decennial Dataset, pluralism did not have a direct effect on advertising expenditures. The findings suggest, instead, that income (GNP) mediates the effects of pluralism on advertising spending, but additional research is needed to confirm this finding.

The key implications from this study are that — contrary to the relative constancy hypothesis — relative spending on advertising does not remain constant over time and that absolute spending is not dictated solely by the general state of the economy, but rather by changes in the complexity of the system. Future research should determine whether the theory advanced in this study for advertising expenditures on mass communication is supported by data for consumer expenditures.

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Footnotes

1. Other studies published before McCombs' 1972 monograph have been interpreted as providing empirical support for the relative constancy hypothesis. For reviews, see McCombs (1972) and McCombs and Nolan (1992).

2. Wood refers to this proposition as the income-constancy hypothesis, which means that the absolute amount of money that people spend on mass communications increases or decreases as their income increases or decreases. The result is that while the absolute amount may change substantially from one year to the next, roughly the same proportion of income is spent on mass communications.

3. Durkheim pointed out that the division of labor is only one solution to the problem of limited resources. Others are emigration, colonization, suicide, or genocide. The social system also may dissolve if it fails to acquire the resources for survival.

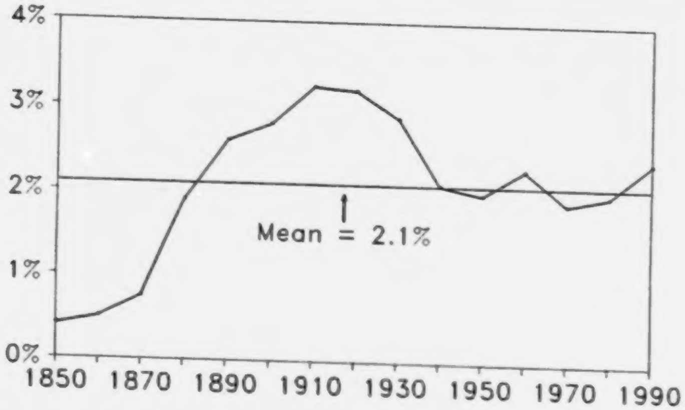

Figure 1. Percent of GNP spent on advertising, 1850–1990.

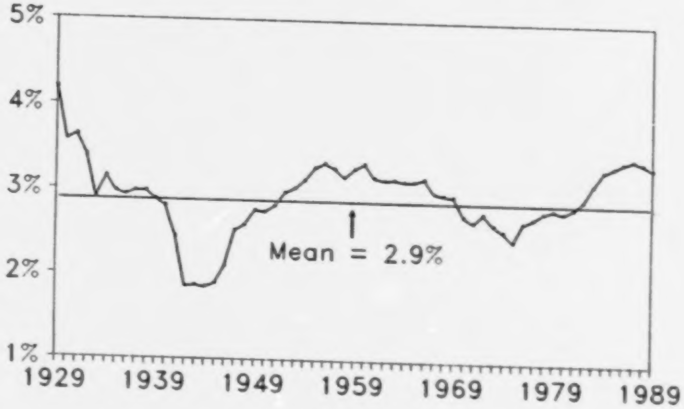

Figure 2. Percent of national disposable income spent on advertising, 1929–89.

Table 1: Relative advertising expenditures regressed on time

Dataset/Model #/ Time Period	n	df	Durbin-Watson	SE of Regression	Constant Term	Time Trend Slope
Decennial Data[a]						
1. 1850-1990[b]	15	12	1.01[d]	.488	-23.96 (15.63)	0.013 (0.008)
2. 1850-1920[b]	8	5	1.52	.377	-85.42* (12.87)	0.046* (0.007)
3. 1870-1990	13	10	1.45	.530	-17.13 (17.76)	0.010 (0.009)
Yearly Data[c]						
4. 1929-1989	61	58	1.79	.181	22.45 (25.90)	-0.010 (0.013)
5. 1929-1941	13	10	1.89	.226	213.92* (41.32)	-0.109* (0.022)
6. 1942-1959	18	15	1.32[d]	.119	-172.81* (27.32)	0.090* (0.014)
7. 1960-1975	16	13	1.77	.076	110.23* (11.72)	-0.055* (0.006)
8. 1976-1989	14	11	0.76[d]	.067	-115.95* (19.79)	0.060* (0.010)

---

[a] Exact maximum-likelihood regression estimation of PERCENT GNP = $a_0 + b_1 \times$ TIME + e; where PERCENT GNP is the percentage of the Gross National Product spent on advertising, a is the constant term, TIME is a time-trend series that increases by +10 each decennial year, and e is the regression error term, assumed to follow a first-order autoregressive process.

[b] GNP data for 1850 and 1860 estimated.

[c] Exact maximum-likelihood regression estimation of PERCENT NDI = $a_0 + b_1 \times$ TIME + e; where PERCENT NDI is the percentage of the National Disposal Income spent on advertising, a is the constant term, TIME is a time-trend series that increases by +10 each decennial year, and e is the regression error term, assumed to follow a first-order autoregressive process.

[d] Autocorrelation may be present.

*$p < .05$; Standard errors are shown in parentheses.

Table 2: Actual advertising expenditures regressed on GNP, NDI and pluralism

Dataset/Model #/ Independent Variable	n	df	Durbin-Watson	SE of Regression	Constant Term	Slope
Decennial Data 1870-1990[a]						
1. GNP	13	10	1.77	.327	-5.25* (1.14)	1.11* (.09)
2. Pluralism	13	10	1.79	.447	-49.95* (5.07)	24.94* (2.18)
3. GNP	13	9	1.79	.344	-0.57 (18.79)	1.21* (.43)
Pluralism						2.53 (10.19)
Yearly Data, 1929-1989[b]						
4. NDI	60	57	1.65	.078	-3.73* (.45)	1.02* (0.04)
5. Pluralism	60	57	1.64	.078	-21.21* (1.30)	13.31* (0.56)
6. NDI	60	56	1.72	.074	-12.25* (3.19)	0.54* (0.18)
Pluralism						6.37* (2.36)

[a] Exact maximum-likelihood regression estimation of AD EXPENDITURES = $a_0 + b_1 \times \text{GNP} + e$; $a_0 + b_2 \times \text{PLURALISM} + e$; $a_0 + b_1 \times \text{GNP} + b_2 \times \text{PLURALISM} + e$; where AD EXPENDITURES is the total dollars spent on advertising, a is the constant term, GNP is the Gross National Product, PLURALISM is a measure of structural pluralism, and e is the regression error term, assumed to follow a first-order autoregressive process. All variables are log-transformed.

[b] Exact maximum-likelihood regression estimation of AD EXPENDITURES = $a_0 + b_1 \times \text{NDI}_{t-1} + e$; $a_0 + b_2 \times \text{PLURALISM}_{t-1} + e$; $a_0 + b_1 \times \text{NDI}_{t-1} + b_2 \times \text{PLURALISM}_{t-1} + e$; where AD EXPENDITURES is the total dollars spent on advertising, a is the constant term, NDI is a the National Disposable Income at time - 1, PLURALISM is a measure of structural pluralism at time - 1, and e is the regression error term, assumed to follow a first-order autoregressive process. All variables are log-transformed.

*$p < .05$; Standard errors are shown in parentheses.

Table 3: GNP and NDI regressed on structural pluralism

Dataset	n	df	Durbin-Watson	SE of Regression	Constant Term	Slope
Decennial Data 1870-1990[a]	13	10	2.33	.178	-42.29* (1.07)	23.31* (0.46)
Yearly Data, 1929-1989[b]	60	57	1.67	.062	-17.03* (1.06)	13.02* (0.46)

[a] Exact maximum-likelihood regression estimation of GNP = $a_0 + b_1 \times$ PLURALISM + e; where GNP is the Gross National Product, a is the constant term, PLURALISM is a measure of structural pluralism, and e is the regression error term, assumed to follow a first-order autoregressive process. All variables are log-transformed.

[b] Exact maximum-likelihood regression estimation of NDI = $a_0 + b_1 \times \text{PLURALISM}_{t-1}$ + e; where NDI is a the National Disposable Income, a is the constant term, PLURALISM is a measure of structural pluralism at time - 1, and e is the regression error term, assumed to follow a first-order autoregressive process. All variables are log-transformed.

*$p < .05$; Standard errors are shown in parentheses.

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PRODUCT INFORMATION STRATEGIES OF AMERICAN AND JAPANESE TELEVISION ADVERTISEMENTS

By

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and

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Paper presented to the Association for Education in Journalism and Mass Communication, Advertising Division, Kansas City, 1993.

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ABSTRACT

PRODUCT INFORMATION STRATEGIES OF AMERICAN AND JAPANESE TELEVISION ADVERTISEMENTS

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This study examines differences in informational strategies by product categories in Japanese and American television advertisements. Overall findings suggest that American ads are perhaps more informative than Japanese ads, based on the Western standard. However, only by examining the qualitative and quantitative nature of the advertisement--within respective idiosyncratic cultural contexts--could valid results be derived. Hence, what is informative to one culture may not be necessarily deemed as relevant to another culture.

PRODUCT INFORMATION STRATEGIES OF AMERICAN AND JAPANESE TELEVISION ADVERTISEMENTS

Overseas companies trying to break into the Japanese market face a number of obstacles. American companies, in particular, have been perplexed by the vagaries of Japanese consumers. If foreign companies are to successfully compete in Japan, it is critical to understand effective marketing and advertising strategies targeting the Japanese consumers.

This study examined the informational content of Japanese and American television advertisements, with a focus on how the informational strategies differed by product categories. While analyses of advertising content do not directly yield evidence for audience preferences, national advertising campaigns in both nations nevertheless were rooted in extensive research of their consumers and markets.[1]

The broadest approach for studying advertising strategies involves classifying appeals as either rational or emotional. This approach, however, does not take into account potential cultural dissimilarities that might make it difficult to standardize advertising strategies across cultures. Anecdotal evidence, systematic studies and observed cultural differences suggest that Japanese consumers prefer emotional rather than rational appeals.[2] The general belief -- almost to the point of being a cultural truism -- is that Americans want their advertising information quickly and directly, while the Japanese prefer "soft music, beautiful scenery and soft voices".[3] In addition, Japanese consumers can be easily offended by conventional "hard sell" American strategies, such as repeating information for maximal learning or overstating product claims to the point of bluster.[4]

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[1] Sadeo Kobayashi, "Advertising in Japan Now," **KEIO Communication Review**, 13: 79-84 (1991).

[2] William Lazer, Shoji Murata and Hiroshi Kosaka, "Japanese Marketing," **Journal of Marketing**, 49: 69-81 (1985); John O´Toole, "Ad Strategies in Japan a Mystery," 56, 58-59 (1985); John F. Sherry and Eduardo G. Camargo, "´May Your Life be Marvelous´:

This does not mean that Japanese advertising is devoid of informational value. Evidence repeatedly indicates that Japanese consumers--perhaps more than their American counterparts--are concerned about product safety, quality and cleanliness.[5] In retrospect, there should be nothing discrepant about the presence of factual and verifiable informational statements coexisting with a soft-sell approach in the same advertisement. The Japanese might attempt to harmoniously blend these two strategies. Nevertheless, the seeming contradiction of the

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English Language Labelling and the Semiotics of Japanese Promotion," **Journal of Consumer Research**, 14, 174-88 (1987); Jyotika Ramaprasad and Kazumi Hasegawa, "An Analysis of Japanese Television Commercials," **Journalism Quarterly**, 67 (Winter), 1025-1033 (1990).

[3] Ramaprasad and Hasegawa, 1990, p. 1025.

[4] Anthony C. DiBeneditto, Mariko Tamate, and Rajan Chandran, "Developing Creative Advertising Strategy for the Japanese Marketplace," **Journal of Advertising Research**, 31: 39-48 (1992).

[5] Jyotika Ramaprasad and Kazumi Hasegawa, "Creative Strategies in American and Japanese TV Commercials: A Comparison," Journal of Advertising Research, 32: 59-67 (1992a); Jyotika Ramaprasad and Kazumi Hasegawa, "Informational content of American and Japanese Television Commercials. Journalism Quarterly, 69: 612-622 (1992b).

Japanese public´s preference for indirect sales approaches--as well as a desire for product information--has resulted in seemingly ambiguous and even contradictory research findings.

In line with the traditional view of the Japanese public´s preference for emotional appeals, DiBeneditto et. al.[6] and Mueller[7] both reported that Japanese advertisements relied heavily on "soft sell" and "feeling" approaches. In seeming contrast, Madden and his colleagues reported that Japanese magazine advertisements contained more informational statements than American advertisements.[8]

While Ramaprasad and Hasegawa[9] reported that Japanese advertisements favored an indirect selling approach, most of the advertisements they examined also contained a modest amount of informational cues. Hong et. al.[10], on the other hand, reported that Japanese advertisements possessed both more rational and emotional appeals than their American counterparts.

Much of the comparative research on Japanese and American advertising has been hindered by a lack of attention to product differences. It is regarded as axiomatic that the determination to use a rational or emotional appeal depends on the product or service being marketed. Generally, it is assumed that emotional appeals are better suited for low-involvement products, while rational appeals are considered more appropriate for high-involvement products.[11] This generalization, however, is derived from advertising research in Western cultures.

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[6] DiBeneditto, Tamate and Chandran, 1992.

[7] Barbara Mueller, "Reflections of Culture: An Analysis of Japanese and American Advertising Appeals," **Journal of Advertising Research**, 27, 3: 51-59 (1987).

[8] Charles Madden, Marjorie J. Caballero, and Shinya Matsukubo, "Analysis of Information Content In U.S. and Japanese Magazine Advertising," **Journal of Advertising**, 15: 38-45 (1986).

[9] Ramaprasad and Hasegawa (1990).

[10] Jae W. Hong, Aydin Muderrisoglu, and George M. Zinkhan, "Cultural Differences and Advertising Expression: A Comparative Content Analysis of Japanese and U.S. Magazine Advertising," **Journal of Advertising**, 16: 55-62, 68 (1987).

Ramaprasad and Hasegawa[12] briefly. examined the quantity of informational cues in American and Japanese television advertisements by product categories. They found that American advertisements have the most informational cues in automobile and the least in alcohol products, while Japanese advertisements had the most for appliances and the least for services. While they reported differences in Japanese and American advertisements by product categories, they did not analyze which specific informational cues were most closely associated with certain products and services.

The need to closely examine the association between specific informational cues and product categories remains essential, as there is still no consensus among researchers on the question of whether similar advertising strategies and appeals may hold across cultures.[13] As Onkvisit and Shaw[14] observed, "Those who insist that American advertisements are effective everywhere should be willing to accept foreign advertisements and values as being just as suitable for the U.S. market -- a very unlikely occurrence."

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[11] Warren Keegan, "Multinational Product Planning: Strategic Alternatives," **Journal of Marketing**, 33: 58-62 (1969); Herbert E. Krugman, "The Impact of Television Advertising: Learning Without Involvement," **Public Opinion Quarterly**, 29: 349-365 (1965); Richard E. Petty, John T. Cacioppo, and David Schumann, "Central and Peripheral Routes to Advertising Effectiveness: The Moderating Role of Involvement," **Journal of Consumer Research**, 10: 136-136 (1983).

[12] Ramaprasad and Hasegawa (1992b).

Thusfar, little is known regarding how informational content is presented for different product categories on television in Japan. This study intends to shed light on the product information strategies employed in Japanese and American advertisements. Since most past research indicates that American advertisements tend to be more informative than Japanese advertisements, the first hypothesis reflects that presumption:

H1: American TV advertisements will contain more information cues across more product categories than Japanese TV advertisements.

To further explore the actual differences in the types of informational content contained in Japanese and U.S. advertisements, the following hypothesis was tested:

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[13] Edward T. Hall and Mildred Reed Hall, **Hidden Differences: Doing Business With the Japanese**, (New York: Anchor Press, 1987); Hornik, 1980; Theodore Levitt, "The Globalization of Markets," **Harvard Business Review**, 61: 92-102 (1983); Barbara Mueller, "Degrees of Globalization: An Analysis of Standardization of Message Elements in Multinational Advertising," **Current Issues in Research Advertising**, 12: 119-133 (1989); Richard Tansey, Michael R. Hyman and George M. Zinkhan, "Cultural Themes in Brazilian and U.S. Auto Ads: A Cross-Cultural Comparison," **Journal of Advertising**, 19: 30-39 (1990).

[14] Sak Onkvisit and John J. Shaw , "Standardized International Advertising: A Review and Critical Evaluation of the Theoretical and Empirical Evidence," Columbia Journal of World Business, 22: 43-55 (1987).

H2: A greater variety of informational cues will appear across more product categories in American than in Japanese TV advertisements.

METHODS

A randomly constructed week of evening network television advertisements in Japan and the United States was videotaped and compared for their "informational cues" use. Resnick and Stern[15] defined informational cues in television advertisements as statements of fact which "permit a typical viewer to make a more intelligent buying decision after seeing the commercial than before seeing it."

Fourteen categories of informational cues constructed by them were coded as the basis for comparison in this study: (1) Price-Value, (2) Quality, (3) Performance, (4) Components or Contents, (5) Availability, (6) Special Offers, (7) Taste, (8) Nutrition, (9) Packaging or Shape, (10) Guarantees and Warranties, (11) Safety, (12) Independent Research, (13) Company Research and (14) New Ideas.

In the American sample, advertisements that appeared in the three major networks (ABC, CBS and NBC) were sampled. In Japan, the four Tokyo-based networks were examined (Nippon News Network, Japanese News Network, Fuji News Network and Asahi News Network).

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[15] Alan Resnick and Bruce L. Stern, "An Analysis of Information Content in Television Advertising, Journal of Marketing, 41: 50-53 (1977).

The composite week was constructed from a randomly selected two-month period. Each U.S. network was randomly assigned to the composite week for taping; the same process was repeated for each of the Japanese network.

Given that prime time television in Japan starts at 7 p.m., all commercials aired from 7 p.m. to 11 p.m. during the composite week were recorded for both nations. Each advertisement was coded by two trained speakers fluent in the languages of the advertisements. Intercoder agreement was 92% for the American advertisements and 95% for the Japanese advertisements, computed by using Holsti's formula[16]. In the case of coder disagreements, the primary researcher was the final arbiter.

Since the study focused on consumer products and services, the analysis excluded public service announcements, station and program promotions, campaign messages, and cigarette advertisements (which were shown only in Japan). The U.S. sample yielded 421 advertising spots while the Japanese sample yielded 727. Twelve product and service categories common in both nations' advertisements were coded. These included: automobiles, beverages, clothing, food items, medicine and pharmaceutical products, household supplies, personal care products, entertainment (recreational), restaurant, personal services, telecommunications and household appliances.

Differences for the mean number of informational cues across categories in Japanese and American advertisements were determined using T-tests. Frequency distributions, expressed in percentages, were also compiled to provide contrasts for the types of informational cues in different categories of advertisements for both nations.

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[16] Ole R. Holsti, **Content Analysis for the Social Sciences and Humanities** (Reading, MA: Addison-Wesley Publishing Co., 1969).

RESULTS

Mean comparisons for informational cues are presented in Table 1. Focusing on statistically significant relationships, the results in the automobile category indicate more informational cues per advertisement in the U.S. (x = 2.83) than Japan (x = 1.82). However, Japanese advertisements contained more cues in the categories of beverages (Japan x =1.94; U.S. x = 1.43), household supplies (Japan x = 2.15, U.S. x = 1.49), personal care products (Japan x = 2.65, U.S. x = 1.24), entertainment (Japan x = 2.27; U.S. x = 1.36) and household appliances (Japan x = 2.79; U.S. x = 1.0). Absolute differences suggest that Japanese advertisements contained more informational cues than the American advertisements in all but one of the remaining informational categories. The preponderance of findings, then, does not support the first hypothesis.

Table 1 Goes About Here

Table 2 reports the comparative frequencies of informational cues for each product category. The findings indicated that eight of the 14 informational cues (i.e., price, quality, performance, special offers, safety, nutrition, warranties and guarantees and independent research) appeared in more American than Japanese product categories. Five informational cues (i.e., components, taste, packaging, company-sponsored research and news ideas) appeared in more Japanese than American product categories. These results lend support to the second hypothesis.

Table 2 Goes About Here

From these findings, it's apparent that **availability** cues -- which do not involve either emotional or rational appeals -- were most common for both nations' advertisements. Aside from that, the two countries' use of informational cues often differ based on products and services.

In particular, **price** cues appeared in only one category of the Japanese advertisements. In contrast, the American advertisements contained price cues in eight product categories. Similarly, while the **special offers** cues (reflecting tangible enticements) appeared in over half of all American automobile and entertainment advertisements, they rarely appeared in Japanese advertisements. By the same token, as the Americans emphasized **quality** cues in primarily high-involvement products such as automobiles, medicine and telecommunications advertisements, the Japanese generally failed to include these cues.

Although both the American and Japanese advertisements contained a small number of **safety** cues, their safety concerns differed by product categories. While the Americans typically used those cues in conjunction with automobiles, medicine and personal care products, the Japanese highlighted safety information with foods and household appliances. In a similar vein, though **nutrition** cues appeared in two of the same product categories (i.e., beverages and foods) for both the American and Japanese advertisements, there was a five-fold greater quantity of nutrition cues in American than Japanese advertisements.

Even more striking is the complete absence of **warranty and guarantee** cues and **independent research** cues in Japanese advertisements. By contrast, the American advertisements contained these cues in nearly half of all product categories. Moreover, while **company sponsored research** cues were absent from all the American advertisements--due to their inherently "subjective" nature--Japanese advertisements however carried these cues for household supplies and personal care products. Similarly, the Japanese also did not shy from promoting **new ideas** cues (which are relatively subjective in nature) in all but four categories, as compared to the more hesitant Americans, who offered such cues in only half of all categories.

Components cues were featured prominently in Japanese advertisements, ranging from 1.1% to 7.7% of product categories, or twice as many categories as their American counterparts. These cues, however, primarily appeared in low-involvement rather than high-involvement products. Further, while Japanese advertisements scattered **taste** cues across more categories than

American advertisements, the latter concentrated these cues in the most relevant category -- beverages (71.4% for U.S. vs. 2.2% for Japanese advertisements).

Finally, the most drastic contrast between the American and Japanese advertisements was with the use of **packaging** cues. Here, the Japanese indulgence with product packaging was well reflected in the heavy use of **packaging** cues across all product categories (ranging from 30.4% to 91.3%). The Americans included packaging cues in only six categories at far lower rates (ranging from 3.6% to 20%).

DISCUSSION AND CONCLUSION

It is somewhat surprising that the first hypothesis was not supported. The finding instead paradoxically indicates that more Japanese product categories contain a higher overall number of informational cues (disregarding informational cue types), relative to their American counterparts. Nevertheless, this finding speaks directly to the potential bias inherent to the macro-level generalizations made in the past, regarding the informational content of Japanese advertisements.

In particular, the presence of more informational cues in a product category does not necessarily imply a higher degree of informativeness. For instance, a Japanese advertisement with three packaging cues and one taste cue would appear sufficiently more "informative" in quantitative rather than qualitative terms, as compared to an American advertisement with one price cue, one taste cue and one nutrition cue. Thus, the types of informational cues associated with each product category should also be considered and contrasted.

Clearly, according to the findings related to the second hypothesis, American advertisements have a greater variety of informational cues present in more product categories than Japanese advertisements. In particular, the Americans tended to emphasize more tangible incentives by using informational cues such as price, special offers or guarantees and warranties to lure consumers. In a similar vein, they also seemed to prefer using informational cues with a heavy rational appeal--such as quality, performance, safety, nutrition and independent research results--to win consumer confidence.

In contrast, the Japanese generally shunned the use of more tangible enticements or rational appeals. They instead aimed at appealing to consumers chiefly at an emotional level by making more frequent use of informational cues such as taste, packaging and new ideas. To gain consumer trust, they avoided presenting claims of guarantees and warranties or independent research results, contrary to their American counterpart's strategy. Japanese advertisers relied instead upon more "subjective" claims--such as company-sponsored research results--to ensure consumer confidence. Although it may seem odd to provide such non-objective information to consumers, this strategy reflects the emphasis of corporate image and consumer trust in the corporate establishment--a unique Japanese cultural trait.[17]

To further contrast the cultural differences, it should be especially noted that the Japanese presented a heavy percentage of packaging information cues in all product categories; the Americans mostly ignored this product attribute.[18] Moreover, while the American advertisements emphasized informational cues such as special offers for automobiles, good taste for beverages, nutrition for food items, or performance and safety for medicine, the Japanese advertisements rarely mentioned any of them. In fact, only one informational cue, product availability, was mentioned with moderate frequency (33% to 38%) in three different product categories among all Japanese spots.

Hence, even though the Japanese presented a greater variety of informational cues than the Americans in five product categories, these informational cues did not necessarily reflect the most "logical" or "fitting" cues categories to highlight these products. Comparatively, for those eight product categories in which the Americans had a greater variety of informational cues, there appears to be a better "match" of advertising appeals with product nature and attributes. Thus, Japanese advertisements seem to defy the logic of advertising--

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[17] Tamotsu Kishi, "Message Vs. Mood: A Look at Some of the Differences Between Japanese and Western Television Commercials," **Dentsu Japan Marketing/Advertising Yearbook** (Tokyo: Dentsu, 1988).

[18] Ramaprasad and Hasegawa, 1990.

the Western logic that is--as they allow emotional appeals to dominate in nearly all product categories.

Overall, these findings are consistent with past research, which documents the Japanese tendency toward using "soft-sell" and "image-oriented" approaches as well as emotional appeals.[19] The greater use of indirect (and sometimes irrelevant) informational cues and less frequent use of rational cues (or a more direct selling approach) in the Japanese television spots is also congruent with past literature.[20]

These findings also point to the fact that American advertisements are perhaps more informative than Japanese advertisements, in qualitative terms. Alternatively, the American ads might also be more quantitatively informative than their Japanese counterparts, when the substantive content was taken into account. This tentative conclusion, of course, agrees with some past studies[21] and disagrees with others[22], who used different methodologies to study this subject matter.

Although Americans generally consider informativeness of an advertisement necessarily but not sufficiently deterministic of advertising effectiveness, informativeness doesn't even appear to be a necessary element in most Japanese TV advertisements.

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[19] Mueller, 1987; DiBeneditto et al., 1992.

[20] Lazer, Murata and Kosaka, 1985; Kishi, 1988.

[21] Mueller, 1987; Ramaprasad and Hasegawa, 1990

[22] Madden, Caballero and Matsukubo, 1986; Hong, Muderrisoglu and Zinkhan, 1987

Albeit the Japanese product information strategy may appear somewhat illogical or even irrational by Western standards, it is nevertheless perfectly coherent with the Japanese cultural tradition. That tradition pays a great deal of attention to the "appearance" of things in a physical and spiritual sense. As the former is best reflected by the emphasis on packaging information[23] to convey a sense of beauty and harmony between objects and nature, the latter is evidenced by the lack of elaborate product facts (and tangible enticements), to imply mutual trust and respect between the corporate establishment and consumers.[24]

CONCLUSION

Two generalizations can perhaps be drawn based on the findings of this micro-level analysis. First, it appears that the Americans tend to pursue the completeness and perfection of either a rational or an emotional appeal in their product information strategy--through the style of syllogistic argumentation ingrained in the Western culture. By contrast, the Japanese seem prone to seek the sophistication of either a physical or emotional embodiment--through oblique references and inner logic inherent to the Eastern culture -- in their advertising strategy.[25] As a result, the Japanese marketers are more intuitive than their American counterparts and prefer styles and manners over substance in their approach.

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[23] Sherry and Camargo, 1987.

[24] Kishi, 1988.

[25] Hall and Hall, 1987; William Wells, "Global Advertisers Should Pay Heed to Contextual Variations," **Marketing News**, (February 13), 1 (1987).

Thus, simply comparing the total number of informational cues contained in a product category seems to render mixed interpretations for the degree of advertising informativeness, as promulgated in Hypothesis One. Only by examining the qualitative as well as quantitative nature of the advertisement--within idiosyncratic cultural contexts--could valid results be derived. Hence, what is informative to one culture may not be necessarily deemed as relevant to another culture.

In sum, American marketers who intend to establish themselves in the Japanese market perhaps should not overly concern themselves with whether they can properly introduce measurable incentives and objective information to the Japanese consumers. They should concentrate instead, for example, on how to tactically present their products in a more intuitive manner which reflects a desirable package of image and styles.

Table 1 Mean Comparisons of Informational Cues for Different Product Categories

	U. S.		Japan		T-Value
Product Category	$\bar{X}$	(n)	$\bar{X}$	(n)	
Automobiles	2.83	(72)	1.82	(27)	4.39*
Beverages	1.43	(30)	1.94	(93)	-1.21
Clothing	1.22	(18)	0.95	(20)	0.79
Foods	1.81	(78)	2.37	(190)	1.80
Medicine	2.03	(31)	2.25	(69)	-1.29
Household Supplies	1.49	(35)	2.15	(59)	-3.47*
Personal Care	1.24	(55)	2.65	(93)	-7.83*
Entertainment	1.36	(14)	2.27	(33)	-2.53*
Restaurants	1.92	(47)	2.53	(19)	-1.74
Personal Services	0.91	(11)	1.32	(72)	-1.21
Telecommunications	1.40	(5)	1.58	(24)	-0.32
Household Appliances	1.00	(25)	2.79	(28)	-5.77*
Total	421		727		

* $p \leq .05$

Table 2 Comparisons of the Number and types of Information Cues Present in Different Product Categories

Informational Cues		Product Category											
		Automobiles	Beverages	Clothing	Foods	Medicine	Household Supplies	Personal Care	Entertainment	Restaurant	Personal Service	Telecommunications	Household Appliances
		%	%	%	%	%	%	%	%	%	%	%	%
1.	U.S.	2.8	--	25.0	1.3	--	15.2	--	20.0	--	28.6	40.0	33.3
	Japan	--	--	--	--	--	--	--	--	--	3.6	--	--
2.	U.S.	2.8	3.6	25.0	--	7.1	12.1	2.6	--	2.3	--	20.0	--
	Japan	--	1.1	7.7	--	--	1.8	1.1	--	--	7.1	--	--
3.	U.S.	--	--	8.3	1.3	21.4	42.4	33.3	--	6.8	14.3	20.0	--
	Japan	--	--	7.7	--	2.9	1.8	1.1	6.5	--	10.7	5.6	--
4.	U.S.	8.3	--	8.3	--	--	--	7.7	--	--	--	--	--
	Japan	--	2.2	7.7	--	--	1.8	--	3.2	6.3	3.6	--	--
5.	U.S.	8.3	--	8.3	--	--	12.1	2.6	10.0	13.6	28.6	--	33.3
	Japan	12.0	--	30.0	--	1.4	3.6	1.1	38.7	--	35.7	33.3	--
6.	U.S.	51.4	--	16.7	2.7	3.6	--	--	50.0	18.2	--	20.0	--
	Japan	--	--	--	2.7	1.4	1.8	--	--	--	7.1	--	11.1
7.	U.S.	--	71.4	--	--	--	--	5.1	--	34.1	--	--	--
	Japan	--	2.2	2.2	1.4	--	1.1	1.1	--	25.0	--	--	3.7
8.	U.S.	13.9	7.1	8.3	--	3.6	--	2.6	20.0	--	--	--	--
	Japan	84.0	86.0	46.2	83.7	91.3	66.1	80.9	48.4	68.8	30.4	50.0	55.6
9.	U.S.	9.7	--	--	--	10.7	9.1	5.1	--	--	28.6	--	33.3
	Japan	--	--	--	--	--	--	--	--	--	--	--	--
10.	U.S.	1.4	--	--	--	35.7	--	7.7	--	--	--	--	--
	Japan	--	--	--	0.5	--	--	--	--	--	--	--	18.5
11.	U.S.	--	10.7	--	22.7	10.7	--	--	--	2.3	--	--	--
	Japan	--	2.2	--	4.3	--	--	--	--	--	--	--	--
12.	U.S.	1.4	7.1	--	2.7	3.6	3.0	28.2	--	--	--	--	--
	Japan	--	--	--	--	--	--	--	--	--	--	--	--
13.	U.S.	--	--	--	--	--	--	--	--	--	--	--	--
	Japan	--	--	--	--	--	3.6	1.1	--	--	--	--	--
14.	U.S.	--	--	--	6.7	3.6	6.1	5.1	--	20.5	--	--	--
	Japan	4.0	5.5	--	6.5	1.4	19.6	13.5	3.2	--	1.8	11.1	11.1

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